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# ***JPRS Report***

## **East Europe**

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# East Europe

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## INTRABLOC

### **Military Pact Changes, Need for New European Security Viewed**

*90WC0073Z Warsaw GAZETA WYBORCZA in Polish  
5 May 90 pp 6-7*

[Article by Janusz Reiter: "Jumping Over One's Own Shadow"]

[Text] President Bush was discussing the future of NATO and the issues of armaments and disarmament, at which point a journalist asked him a difficult question: "Mr. President, where is the enemy we should defend ourselves against?" Somewhat surprised, Bush answered after thinking for a moment: "Instability in international relations is the enemy." Some people were not satisfied with this answer. Columnists may consider it original, and politicians may believe that it is adequate, but what are generals to do? How can soldiers be trained to combat "instability?"

A paradoxical situation has existed from the moment the communist governments collapsed in East Central Europe and the two German states embarked on the road to unification. Structures have not changed. The same military blocs exist which existed in the time of cold war, as well as the armies with insignificantly reduced numbers of soldiers and even military doctrines conceived in a completely different era. The only thing missing is the enemy. Nobody in Western Europe feels threatened by the East. The notion that Poland governed by Tadeusz Mazowiecki or the Czechoslovakia of Vaclav Havel could threaten France or the Federal Republic of Germany is too absurd for anybody to seriously entertain. Even Russia under Gorbachev does not evoke fear as an expansionist superpower.

It is the same on the Eastern side. Here, theories about the NATO threat have always been treated with, at the very least, skepticism. At present, the concern of the people in this part of Europe is how to join the West rather than defend against it. In one of the Polish units, a confused silence followed when soldiers were asked who the enemy is. Only one of them, having made sure that he was out of the earshot of all so-called career personnel, whispered an answer: "The sergeant is the enemy."

The recognition that the security system built several dozen years ago does not fit the new European reality is due not only to democratic changes accomplished in the former Eastern bloc. Events in Germany were the factor which not only prompted but altogether compelled the governments to look for a new security model. Agreeing to the unification of Germany meant the beginning of the end of the European security system.

The changes may develop in keeping with three scenarios. One of them, which is clearly preferred by the Soviet Union, is to give the united German state a

neutral status which rules out its participation in military blocs. As early as the 1950's, Moscow insisted on such a solution to the German question. However, it is clear that what Gorbachev and Shevardnadze propose now is not merely a dusted-off note of Stalin from 38 years ago. At the time, the ambition of Soviet policy was to draw Germany into the orbit of its influence. At present, the goal is much more modest: At issue is preventing the unilateral reinforcement of NATO and averting being pushed into the back seat of European politics. The West responded to the Soviet proposals as unfavorably as to the offer of Stalin in its time, and in addition it received the support of the countries of East Central Europe, including Poland. This unanimous attitude is due to the conviction shared by all of these countries that a united Germany taking its own path alone would be a source of concern rather than harmonious cooperation in Europe.

The incorporation of a united Germany into NATO is another possible scenario of changes. This solution has gained the most adherents. It is favored by all the main political forces of both German states, as well as the Western allies of Bonn. The states of East Central Europe do not oppose this variant either. This broad agreement as to the inclusion of a united Germany in the North Atlantic Pact is the result of the fact that this is, to be sure, a quite conservative solution but a relatively simple one. It does not call for creating new structures or developing new models. It would suffice to move the border of the Atlantic alliance from Elbe to Odra and Nysa on staff maps. This simplicity appears to especially appeal to the Americans for whom the extension of the territory of the pact to the east would be a logical consequence of the collapse of communism and the confirmation of victory for the Western world.

Of course, the issue is not as simple as it might appear. The Soviet Union opposes the swallowing of the GDR by NATO. To be sure, this is not a problem of a military threat for Moscow. Nobody in the Kremlin believes that the North Atlantic Pact would be eager to conquer the Soviet Union. This is rather a matter of the prestige of a large superpower shaken by a domestic crisis and now forced to make concessions in foreign policy. It is also a problem of the place of the Soviet Union in European politics. The right to have a voice in decisions on the German issue and military presence in the GDR were one of the attributes of a superpower for Moscow, and at the same time a guarantee that no essential decisions affecting Europe could be made without its participation.

The Soviet Union has too little political power to impose its own vision of the future united Germany, but enough to hamper and delay the process of unification. For this reason alone, the West should take Soviet reservations seriously. However, there also is another and, perhaps, even more significant reason to take the interests of Moscow into account. The West does not want a defeat in the game for the position of Germany, whether real or merely presumed, to weaken Gorbachev and provide

new arguments to his domestic opponents. America and Western Europe are not interested in weakening the Soviet Union. Their interests rather prompt them to ensure that this erstwhile enemy does not begin to act in a nervous and unpredictable manner. This is exactly what President Bush had in mind when he mentioned "instability" in response to who the enemy of the West is.

In the capitals of NATO countries, considerations are under way about the manner in which Moscow can be persuaded to reconcile itself with the unpleasant prospect of losing influence in Germany. Minister of Foreign Affairs of the FRG Hans-Dietrich Genscher is suggesting that the territory of the present-day GDR could belong to the political structure of NATO but not its military structure. Reportedly, the West German minister is thinking about adding the Soviet Union to the so-called major seven—the most developed countries of the world which make fundamental decisions on global economic and political problems. Leaders of the United States, Canada, Japan, the FRG, France, Great Britain, and Italy belong to this exclusive club. The possibility of leaving some Soviet troops in eastern Germany for a period of time is also discussed.

The participation of the Soviet Union in this discussion involves listening rather than talking. What the West has to offer does not remove the fundamental dilemmas which the Soviet Union has to face in the nearest future regarding its security policy. First of all, the Warsaw Pact is breaking down, at least in its format to date. One of its elements, the East German army, can already be written off as a loss. The strength of the National People's Army of the GDR has dropped by 40,000, and continues to decline. The recent allies of the Soviet Army are already applying for admission to the Bundeswehr or withdrawing to civilian life. However, the erosion of the Warsaw Pact is not restricted to the GDR. In Hungary, the idea of neutrality is gaining supporters. Czechoslovakia, as well as Poland, demand fundamental changes in the pact, and do not appear convinced that the pact has a bright future.

The West is not facing dramatic challenges, but NATO should also reckon with the fact that its reason to exist will be questioned. A certain influential West German columnist says: "No pact can exist longer than is necessary to accomplish its task." NATO was set up in order to defend the West against the expansionist policy of the Eastern bloc. Now, when this reason no longer exists, NATO has become unnecessary; its life may be artificially prolonged, but not for long. Representatives of the pact try to beat back these attacks by referring to its transformation from a defensive union to a political treaty, but this is a dodge rather than a response to criticism.

Are the pacts necessary at all? Their old rationale has been exhausted. At present, their existence can be defended by using the argument that a sudden breakdown of the existing structures could undermine rather

than reinforce the feeling of security of the Europeans. The entire concept of disarmament talks is built on the assumption that two military pacts exist. Abrupt shifts in the array of forces and changes in the existing structures would only serve to hamper the disarmament process. An arms-control expert says: "You cannot rebuild a streetcar which is in motion."

The pacts would render a great service to all if they prepared not only for disarmament but also for the emergence of a Europe without pacts. At one point, this was merely a nice slogan; at present, the most serious and cautious politicians consider this kind of evolution conceivable and even attainable. This would be the third scenario of changes in the European security system which is the most difficult but at the same time the most promising. The creation of a joint security system, that is, a network of treaties and ties which would bind together the interests of all participants, would be the goal which the changes would strive to achieve.

The idea of collective security has never had as many proponents as at present. At one time, it was considered to be a leftist utopia removed from the reality of this world. At present, it is advertised by even conservative politicians who do not succumb to the temptation of utopian thinking. This idea is attractive because it responds to the yearning for thinking in all-European categories while at the same time eliminates a customary question: Who stands to win, who stands to lose? Collective security means that everyone wins, nobody loses.

The lack of specifics is the weakness of this idea. As of now, very little is known about how it is to be implemented. The assumption that the scope of participants in this security system corresponds to that of the Conference on Security and Cooperation in Europe is beyond a doubt. Therefore, this includes Europe with the Soviet Union, as well as America and Canada. In general, the view that the Conference on Security and Cooperation in Europe must create an institution capable of current operations rather than just meeting once in several years or even months does not cause reservations. As early as several months ago, Prime Minister Mazowiecki suggested that the Council of European Cooperation become such an institution. Recently, Vaclav Havel made a proposal which points in exactly the same direction. West German Minister of Foreign Affairs Hans-Dietrich Genscher has referred to a council of the ministers of foreign affairs and defense, that is, a somewhat looser structure, but based on the same assumptions. Specialized institutions coordinating cooperation in various fields would fit under its umbrella. The European center of preventing military crises would be one of them.

This institution, which could be called the Council of European Cooperation, should be endowed with greater powers so that it would not share the fate of the prewar League of Nations. Transferring to the council some of the national powers in the sphere of defense is under consideration in many capitals. Some are talking about



the need to altogether create joint European armed forces. The Polish proposal to create a Polish-German brigade belongs in this very school of thought on security matters.

Time is short. The vision of a new European security system should at least have a clear outline by the fall, when the summit of the Conference on Security and Cooperation in Europe is held. If this were accomplished, it would be easier to find an answer to the question of how to build a united Germany into the general European security model. To be sure, former American Secretary of State Henry Kissinger does not believe in the success of these efforts. In his opinion, collective security is a dangerous illusion which only brings about collective chaos. However, it may be that Kissinger is too attached to Bismarck-style thinking in terms of equilibrium in order to believe that the European states can transcend traditional divisions and biases. It could be that they need to jump over their own shadow in order to create a new system of collective security. However, it is a fact that there have never been so many of them willing to jump.

## GERMAN DEMOCRATIC REPUBLIC

### Ministers Interviewed on German-German LDC Aid

#### GDR's Ebeling Emphasizes Nicaragua

90GE0085A East Berlin NEUE ZEIT in German  
2 May 90 p 5

[Interview with GDR Minister for Economic Cooperation Hans-Wilhelm Ebeling by Michael Albrecht; date not given: "The Third World Needs Aid From All of Us"—first paragraph is NEUE ZEIT introduction]

[Text] For the first time in the history of the two German states, two ministers traveled abroad last week on a joint mission. NEUE ZEIT editor Michael Albrecht accompanied Hans-Wilhelm Ebeling, Dr. Juergen Warnke, and the GDR and FRG ministers for Economic Cooperation to the special UN Conference in New York and the inauguration of Violeta Chamorro, the new president of Nicaragua, and, on the flight back to Europe, had an opportunity to interview both of them.

[Albrecht] Mr. Ebeling, this is the first time that you, in your capacity as minister for Economic Cooperation, have visited a developing country and in Nicaragua familiarized yourself with that country's problems. What were your strongest impressions after your two-day stay in Nicaragua?

[Ebeling] My initial answer is entirely emotional. I come from a country that, in contrast to Nicaragua, does count among the wealthy countries on earth. In Nicaragua I saw a country so poor that anybody is bound to be profoundly shaken. I am thinking mainly of the poverty

stricken huts I saw in Managua and elsewhere, where people erect plain wooden shacks simply to have a roof over their heads.

Before this, our journey took us to New York, a city where there is enormous wealth, although I also noted that this coexists with flagrant contrasts. Nicaragua is really a country that offers the starkest contrasts to that which we saw in the United States. My new acquaintance with extreme poverty has sensitized me to the extent that I will more resolutely devote my strength and time to the people in Nicaragua, and I hope that I will be able to achieve something in this matter.

[Albrecht] What was it that motivated a pastor to embark on the difficult business of politics, where do you draw the strength for your work in the ministry?

[Ebeling] I do not think that you can separate politics from all the other spheres of human life. Politics for me also means commitment to others always. That is how I always saw my former work as pastor. Everything I said and did was of a political nature. After all, politics is supposed to relate to man. Thus, I never made a distinction between the Church and politics, although I admit that many Church people hold different opinions.

You ask for my motivation, the strength that makes it all possible. Let me remind you of the Sermon of the Mount. This has always been and always will be the guideline for my action.

As to the work in my ministry, let me first of all say quite unequivocally that I always wanted to run this ministry, because I do not feel competent to run any other. Since I am no lawyer, I could never have taken on the Ministry of the Interior. I need to repeat this once more in public, because I am so often alleged to have eyed the interior ministry. That just is not the case. I was particularly happy to serve as the minister for Economic Cooperation, because I believe that I will be able to bring part of me to the peoples—humanity, human dignity, and humanism.

[Albrecht] Looking at your experiences in Nicaragua, what can we in the GDR do to ease the misery there? How can the people in the GDR be motivated again to offer help and solidarity in the best sense of that term?

[Ebeling] I assured the Nicaraguan President and foreign minister that our aid will certainly not stop. Our two major projects there are our first priority—the Karl Marx Hospital and the occupational training center in Jinotepe. We will definitely not withdraw from these two, on the contrary. I think that we will work even harder on both projects. The third aid project is the delivery of 90,000 crude oil, something that I was asked about in Managua. I will champion continued deliveries, because without it Nicaragua would confront even worse economic problems.

As for the motivation of GDR citizens with regard to aid, I would like to address our citizens by way of the

churches. I hope that I will succeed in organizing a major action for the solicitation of donations. Though donations have diminished since the uprising and the reports of the misuse of this money by the former state agencies, I do not doubt people's motivation. However, they need to be aroused and clearly shown the purpose now and later of every mark raised in the GDR for the Third World.

[Albrecht] Let me turn once more to the Jinotepe occupational training center that you visited while in Nicaragua. How did you find this project, and what can you tell us about its prospects?

[Ebeling] Other than the Karl Marx Hospital, the Jinotepe occupational training center represents the GDR's most important aid project in Nicaragua. Incidentally, at its inauguration the Sandinistas gave it the name of the German Communist Ernst Thaelmann, and my first official act as minister in Jinotepe was that of asking for the abandonment of this name that I considered rather unsuitable. My proposal was greeted with approval by the people who work there, and they will now consider what new name to give it. I am curious to know their decision.

Looked at from the outside, the occupational training center is in surprisingly good shape. The center trains 296 apprentices in a three-year cycle. High school dropouts are also admitted.

Various problems were addressed while I stayed in Jinotepe. The center was built in 1984 with funds provided by the solidarity committee and the FDJ [Free German Youth]. This is at the bottom of the worries and concerns in Jinotepe, because—since the FDJ has virtually ceased to exist in the GDR—the moneys earmarked from its funds for the training center have ceased to be disbursed. The instructors, for example, do not know whether money for their salaries will be forthcoming. In addition major problems have arisen with regard to materials supplies, because the training workshops need a specific quota of metals. This applies to the training of locksmiths as well as to that of future electricians whose workshop lacks cables, switches, and relays. All this puts a big crimp into the work at Jinotepe although—just as in the GDR—people improvise a lot. The motor vehicle situation also is difficult.

In the course of our talks, I told the staff in Jinotepe exactly the same thing I had said to the physicians and nursing staff of the Karl Marx Hospital earlier. The GDR Government assigns top priority to both these projects and will make sure of continuing aid.

On the other hand I must mention the concerns of GDR citizens working in Jinotepe. A teaching instructor was one of many who fear that they will be out of a job when they return to the GDR. I tried to reassure them and promised to make every possible effort to ensure that they will get jobs in the GDR.

I was also asked whether it would be possible to get the FRG Siemens Corporation (that is particularly flourishing in Nicaragua) to place some orders at the Jinotepe occupational training center, enabling the apprentices to undertake some subcontracting for the electrical engineering-electronic firm. My ministry will try to obtain the respective contacts at Siemens.

[Albrecht] Would you once more summarize your impressions of the meeting with GDR citizens working in Nicaragua?

[Ebeling] To begin with let me emphasize that, in the space of two days in Nicaragua, I learned a lot about what it means to do development work on the ground in such a country, whether in a hospital or out there in Jinotepe. I admire those who have committed themselves to serving for several years in such conditions. Life is not exactly a picnic when, in addition to many other hardships, electricity and water are cut off for hours or days in a tropical climate like that of Nicaragua. I am immensely impressed to see that people are still gladly doing their jobs in such conditions.

[Albrecht] You appeared before the UN in New York together with Federal Minister Dr. Warnke and, again with him, participated in the celebration of the inauguration of President Chormorro. Has this trip helped future German unification, and have you found your interlocutors abroad to be interested in the German question?

[Ebeling] This government as a whole has come into being to lead to German unification in conjunction with our partners in the Federal Republic, because the people in our country want this. In that sense my Bonn colleague and I wished to indicate that German unity has moved within reach. After all, this was the first time in the 40 years of the GDR's existence for ministers from both parts of Germany to set out on a joint trip. Initially this mainly amounted to symbolism, but to me it involved practical conclusions, because we aim at tackling common projects. The details will have to be carefully considered by both of us. We are thinking of projects to which the GDR might supply manpower rather than money, while the Federal Republic would concentrate on the financial aspects, and vice versa. We will therefore have to find out which of the projects in the 64 countries aided by us are suitable for joint efforts.

Presently we are about to prepare both ministries for the day when German unification will actually take place, in order to provide for a seamless transition for the benefit of the countries where we are involved.

As to the reaction to our joint appearance, in particular at the UN, I felt it important to note that many of my interlocutors have ceased to fear German unification and economic domination by a united Germany. They hope for a healthy unification, because a united Germany is expected to offer more aid, especially to the Third World. After all, a country with a strong economy can do more than one that is weaker. I was also able to

note that the fear of political domination by a united Germany has also diminished, because Germany will be integrated in a united Europe, thereby virtually settling the issue of security. I have always opposed neutrality for Germany. I considered this to involve far more danger than integration in a security structure. I repeatedly confirmed this interpretation in my talks with UN politicians in New York.

[Albrecht] What are your travel plans as minister for Economic Cooperation, and will there be another joint expedition with your departmental colleague in the Federal Republic?

[Ebeling] I have not yet discussed this with Dr. Warnke. As for travel on behalf of my ministry, I do not have any details. I will definitely and soon visit some foreign countries, because we have, after all, development projects proceeding in 64 countries. Obviously I will take a look at them. Among the knowledge I acquired in Nicaragua is the important realization that one gets to see and learn much more on the spot than by sitting at a desk and getting data sent in. It is vitally necessary to talk to people, to see where the need is for projects still to be decided in my ministry. I will therefore emphasize travel, so that my decisions may be based on proper knowledge.

#### **FRG's Warnke Surveys Future Collaboration**

90GE0085B East Berlin NEUE ZEIT in German  
2 May 90 p 5

[Interview with Dr. Juergen Warnke, FRG minister of Economic Cooperation, by Michael Albrecht, date not given: "On the Scene On the Same Mission for the First Time"]

[Text] [Albrecht] Minister, for the first time you went on a joint trip abroad with your GDR counterpart. How important in your view were the visits of the two German ministers for Economic Cooperation to the UN and a developing country, and what results did this first German-German journey yield?

[Warnke] It was the purpose of this joint trip to remove at least one worry from the minds of the representatives of developing countries. These latter are understandably concerned that the forthcoming German unification may lead to less money being available to finance development aid. Our journey was meant to tell them that we Germans will not forget our responsibilities toward the developing countries even on the way to German unification. At the UN we emphasized this point when talking to General Secretary Perez de Cuellar and the president of the General Assembly. We stressed it once again in Nicaragua upon meeting with the new government and the many guests present at Mrs. Chamorro's inauguration in Managua—heads of state, heads of governments, and ministers who had come from all over the world.

We also began to work in the field. The coalition agreement by the new government of Minister President Lothar de Maiziere not only provides for the first ever establishment of a ministry for Economic Cooperation—in other words development aid—in the GDR, it also specifies actual cooperation projects. Lastly it states that we are to immediately coordinate our operations in the developing countries. After all, that is only reasonable. In less than two years we expect there to be only one German Government. It makes sense, therefore, to take care that our projects should already be geared to a merger rather than conflict.

When visiting the Karl Marx Hospital in Nicaragua, built by the GDR, we therefore thought about the possibility of FRG development aid to include measures supportive of the hospital's efforts. To cite an example: When, after the hoped for final end of the civil war, many Nicaraguans return from abroad, they need to be reinstated. The returnees will include physicians and medical personnel. According to the goals of our development policy, the Karl Marx Hospital is to be handed over to a Nicaraguan administration in the foreseeable future. In other words, the hospital is to operate with Nicaraguan personnel. It would make sense to have a FRG project for encouraging the reintegration of Nicaraguan physicians and medical personnel who will later be employed by the hospital. Such a measure would complement GDR efforts in behalf of this important hospital that, according to coalition decisions in Berlin, is to remain the financial responsibility of the GDR.

[Albrecht] Are there other projects in Nicaragua to be jointly operated by the two ministries?

[Warnke] Aside from the Karl Marx Hospital, we share an interest in two other spheres. Both ministries support centers for occupational training, we in Managua, the GDR in Jinotepe. Both of us also maintain projects for the benefit of the victims and consequences of the disastrous earthquake in one of the locations affected. In these instances we are concerned to make sure that our efforts are complementary. In other words, what one lacks should be offered by the other.

[Albrecht] What was the Nicaraguan reaction to the fact that two German development ministers were on hand on the same mission? Was that considered evidence of German-German normalcy or a sensation?

[Warnke] I think the answer is somewhere in the middle. It was certainly welcomed with much sympathy and understanding as a meaningful interim step and, simultaneously, a not quite expected advance on the way to the unification of the two German states. After all, nothing is better than the evidence of one's own eyes. When two ministers arrive in the same aircraft, always appear together at the same events—Mr. Ebeling and I made quite sure of doing that—and one refers to the other, even those who are somewhat removed from Europe and do not have to deal with German affairs on a daily basis are bound to take note of something

happening here. We were both of us very pleased to see that the Nicaraguans, quite independent of party politics, recognized that something sensible is happening in Germany, accepted the fact that the Germans cannot be the last people on earth to be denied self-determination and national unity, and that which belongs together is now being joined.

[Albrecht] Anyone watching both of you on the trip got the impression that you arrived at a greater man-to-man understanding, in addition to political coordination and therefore achieved a proper working style for the important work of development aid.

[Warnke] You are quite right. We also share a common interest: Minister Ebeling is a pastor, I was appointed a member of the synod of the Protestant Church. We are united in our awareness that the commandment to love one's neighbor includes the duty for the rich to help the poor—and in this connection we must realize that, by international criteria, the GDR is among the rich countries, even though it may not always be considered to be such. This commandment also has a definite place in politics, because it has a bearing on political and economic foresight.

[Albrecht] What are your future plans with respect to joint trips with Minister Ebeling? Do you already have definite projects?

[Warnke] Though we have not yet agreed on anything definite, we have already been in touch with countries with respect to which we will coordinate future decisions—and that includes travel. I have Ethiopia in mind, in particular, a country of greatest concern to us, because 3-4 million people there are threatened by famine and death, and urgent action is needed.

#### **Greens Spokesman Interviewed on Program**

90GE0093A Frankfurt/Oder MAERKISCHE  
ODERZEITUNG in German 7 Apr 90 p 3

[Interview with Prof. Dr. Jens Reich, People's Chamber spokesman for "Alliance 90/Greens" by Waltraut Tuchen; place and date not given: "Bristle, When Someone Wants To Eat Us"]

[Text] [Tuchen] Herr Reich, you've been on vacation—an urgently needed one, you said. Were you able to recover from the election campaign?

[Reich] To some extent, yes, but a week is too short a time and you can't put work entirely to the side anyway.

[Tuchen] It's only in the recent months that you've gotten into politics as intensively as now. You've been involved ever since the first official statements on the New Forum—then still a minor group of dissidents. How did you get involved in politics?

[Reich] Under the old system everything was politics and policy—housing policy, science policy, education policy... They forced ideology on the masses. The masses

responded by retreating into their shell like a snail. The old state apparatus's effort to force politics on people made politics and thereby forged the weapons used against it. Seen from this perspective, we were all collaborators of the old system, did our duty, you could almost say we reached an accommodation. And then the people who couldn't stand it any longer ran away. My own son came to me and said, "You may be able to go on like this, but I can't!"

One simply had to do something in those circumstances.

[Tuchen] So it was a sense of responsibility that drove you to it?

[Reich] Well, you know, it isn't so important what you call it. If someone faints, you run to help him without thinking that you're doing it from a sense of responsibility. It's a reflex. But in everything I was trying to accomplish then, I was thinking about my children, my parents.

[Tuchen] Why your parents?

[Reich] I once asked my father why individuals didn't do anything to oppose the 12 terrible years of the Hitler dictatorship. He told me, out of fear of the Gestapo, which could send you to a concentration camp if it caught you listening to the radio from London, for instance. But I can't tell my children that today if they ask me; despite all the threats, all the violence in the past in this country against dissidents, you didn't have to fear reprisals for listening to a foreign radio station. So was the threat from the power apparatus so great then that we could use it as an excuse and do nothing?

[Tuchen] But on the other hand it also wasn't entirely without risk if State Security put you down as a "dissident"...

[Reich] No, of course not. Of course, all of us with "different" opinions were afraid. Were we brave enough? But it was high time then for people besides the long-haired dropouts, besides the emigrants/runaways to be brave enough to oppose. After all, one of the things the government tried hardest to do—a former State Security employee told me this once—was to ensure that the opposition didn't gain ground in the vast silent majority, the middle-aged generation with responsible positions, people in "respectable professions." Yes, and there I was, a man in a "respectable profession," and I became one of those dissidents, because I saw that we couldn't abandon the "Church From Below" movement, the people in the environmental library, etc. Events were such that I could no longer not get involved. So I found myself plunged into politics.

[Tuchen] There's no doubt that the New Forum, which you played a major role in shaping, made history because it played a decisive role in getting the revolution under way. Now there's a saying going around that implies the



citizens' movement has fulfilled its responsibility: "The revolution is devouring its children." Is that how you feel?

[Reich] No, because that kind of thinking denies that we got a major awakening under way in this country, an awakening which spread to the entire people and which in the end led to the collapse of the old system. If we hold free elections today, if we can say what we think aloud, if parents and their children can visit Western Europe on vacation, those are the successes of that awakening. And if we must add that when we visit Western Europe, we do so as poor tourists, well, poor tourists can still enjoy the beauty of the Siena cathedral or the magnificent paintings in the Prado in Madrid....

The fact that the movement is working for a political culture of the 21st century, that this reform is arising in Central Europe, that elements of direct democracy (e.g., preparing a draft for a modern constitution in Germany) are arising here—I consider these some of the most important results so far. Finally, after decades of bringing up the rear in terms of democracy and self-determination, Germans are now leading the way. In comparison with successes like these, our "election defeat" is nothing; it's a defeat only if you judge by quantity rather than quality.

[Tuchen] But don't you have the feeling that all the higher goals and gentle results of the revolutionary changes "are going down the drain" because people feel charity begins at home, now find the West German mark and German unity more attractive than noble democratic strivings?

[Reich] The people who're now concerned about the rush for the West German mark are insulting the public, they talk about "the people" or "the Saxons." I'm not happy about this development either but I can't bring myself to think the people of the GDR are stupid and credulous. For 40 years we suffered the system like sheep. I still don't see everyone who voted for the CDU [Christian Democratic Union] now letting himself be pushed so easily in the same direction again. Of course, we need to explain things. People have got to realize that they can't just have the bananas from the West, they've also got to see the rundown inner cities of Meiningen, Stralsund, and Halberstadt, the polluted air of Bitterfeld, the often collapsing sewer systems... We've got to explain that we can't just hand our interests over to the nice uncle from the West and he will then decide everything.

[Tuchen] You undoubtedly hoped to accomplish more with the revolution than has been accomplished so far, if I interpret your comment in the November 1989 Berlin statement correctly, where you said this was just the appetizer, you'd be bringing the main course later....

[Reich] Naturally, the revolution still isn't over yet, after all. The main course is still to come, i.e., putting the little world around us into order, cleaning up our house, cleaning up the air, organizing life in our district, our village, our city in such a way that people feel good, that

they have a mayor who bases his work on people's opinions and concerns, that the authorities watch out for citizens' interests. We have a lot to do right now with the local elections coming up because we've got to find candidates who are willing and able to work for all that.

[Tuchen] Do you really believe the GDR can bring a bit of independence with it into German unity?

[Reich] Yes, we simply have got to do that. I'm for unity, but we mustn't give up everything to achieve it. It's obvious to me that hardly anybody wants to be reminded of the GDR, but, nonetheless, everyone is a Brandenburger, a Maerker, a Saxon, etc., everyone calls Beeskow or Frankfurt (Oder) home and wants it to be nice and worth living there. We've got to bristle when people make decisions without taking our interests into account, when someone wants to devour us, so to speak.

[Tuchen] Well, you can help prevent that now because after all you've got one of the 400 seats in the People's Chamber.

[Reich] I'll object when I feel people are trying to ram things through, because a lot of things in our country are already being done contrary to people's interests again.

[Tuchen] For example?

[Reich] I consider it very bad that the Alliance and the SPD [Social Democratic Party of Germany] have formed a grand coalition so that the government once again presents a united front, once again talks with one voice. A parliament is really strong when it has a strong opposition too. The SPD no longer is that because it has come to terms with the CDU. After the SED [Socialist Unity Party of Germany] heart attack, nobody really sees the PDS [Party of Democratic Socialism] as such a counterweight. That only leaves a few of us as the real opposition. It's already clear that decisions are being negotiated in the back room again—I hope in Berlin still and not in Bonn already—and that the nation is just being presented with faits accomplis, exactly what we knew all too well in the past.

I see a tremendous workload before us because after all there are only 20 of us in our parliamentary fraction along with the Greens, but we want to be involved in all the committees so that nothing is decided behind our back.

[Tuchen] It looks as though you won't be able to get out of politics for a long time yet. Do you regret your decision?

[Reich] No. If we hadn't done anything in this country, we really would have been hopelessly lost. Just having helped to prevent that is important to me.

[Tuchen] What's your biggest problem right now?

[Reich] Having too little time for many things. In the last few months I've accumulated piles of books, important articles that I want to get through, letters that I must

respond to—I'd like to get through that. In addition, there are certain things we've got to think through for the citizens movement so we can handle the tasks before us, we've got to study the literature on direct democracy in other countries, their constitutions, etc., to extract what will help us.

[Tuchen] What does your wife have to say about your workload?

[Reich] She'd been released to do political work before the People's Chamber elections but now she's back working at the outpatient clinic in Buch. Well, she blew up a couple of times because it all got to be too much for her.

[Tuchen] Do you have any time at all for relaxation?

[Reich] I read a lot, I've subscribed to BERLINER ZEITUNG, TAGESSPIEGEL from West Berlin, FRANKFURTER ALLGEMEINE, OGONEK, MOSKOVSKIYE NOVOSTI, and others.

[Tuchen] But that can just turn into more work!

[Reich] I can relax with a good, interesting article like one recently in FRANKFURTER ALLGEMEINE on the various dialects spoken by Germans in the Soviet Union.

[Tuchen] Do you have any wishes for the future?

[Reich] No, none really. I only hope that everything happening now will move in the right direction. Berlin is growing together and it would be nice if it turned into a really happy, hospitable, cultivated world-class city.

## POLAND

### Report on Polish Peasant Party Unification Congress, Prospects

90EP0566A Warsaw POLITYKA in Polish No 19, 12 May 90 pp 1, 7

[Article by Aleksander Checko: "Up the Green Banner: Will Peasants Rule Poland?"]

[Text] At 1438 hours on Saturday the delegates ceased disputing. The resolution to unite nearly all the peasant orientations prompted applause and emotions. Kazimierz Olesiak hugged Franciszek Kaminski. Hanna Chorzyna kissed Tadeusz Nowak. Roman Bartoszcze embraced Wladyslaw Zabinski. The chain of linked hands raised above heads was to signify strength and unity.

A moment later normal activity, in the form of a contest for the office of the party chairman, was resumed. The battle was heavy and the tactics ingenious.

Having coped with their internal problems, Polish peasants intend to tackle the other problems.

The Unity Congress of the Polish Peasant Party [PSL] was preceded on 5 May 1990 by a mass celebrated at St. Aleksander's Church. While the priest spoke about the superiority of rural morality to urban one (because religiosity and respect for labor and for the family are greater in the countryside), the delegates looked at each other, asking, "Is not General Kaminski here yet?" "No, and likely he won't. It seems he resigned for the good of the cause." "What about Olesiak? Does not he attend church?" "Eh, they say that he took the holy communion." "Perhaps so, but does he also go to confession?"

### Where Is the General?

After homage was paid to the memory of the Peasant Party leader Witos and following their festive street parade, the delegates gathered in the Square of Workers' Unity in Warsaw. On entering the auditorium of the Polytechnic one man commented that this was the right place for a unity congress, since in 1948 that was also a meeting place of the same party.

But there were other scenes as well. An elegantly dressed man was selling a weekly published by the National Party, "I recommend this weekly. Contribute to a fraternal party! We support the peasant-national alliance!"

Another "allied-party" booth also stood at the entrance. "We popularize rightist-national and ecclesiastical thought," the vendor declared, on recommending in particular "Marxism and Satanism" and "The Crimes of Judeo-Commune." "For POLITYKA I will even cut my price, because you print little about these subjects."

Nearby were sold DZIENNIK LUDOWY (circulation 2,000, a special one time issue of the liquidated periodical), GAZETA LUDOWA (the periodical of the Polish Peasant Party), and frankfurters.

The articles in that press led readers to the unequivocal conclusion that the congress was concerned solely with two issues: the formal resolution of unity (which must take place regardless of the discussion or of the epithets hurled by the leaders at each other), and the personalities, which will dominate the course of the deliberations. And this is indeed what happened.

The review of names began with welcoming the invited guests to the applause of those present, which gave one some idea about the connections and sympathies of the peasant parties. Speaker of the Sejm Mikolaj Kozakiewicz (the only peasant party representative on the "national list"); Deputy Premier Czeslaw Janicki (long attacked by the countryside for his subservience to Balcerowicz's antipeasant [shock therapy] plan; Gabriel Janowski, the chairman of Rural Solidarity; the Reverend Eugeniusz Marciniak, deputy secretary of the Episcopate for farmers; the Reverend Boguslaw Bijak of Wilanow; Senator Henryk Stoklosa (the "Common Sense Club"); Wladyslaw Sila-Nowicki of the Labor Party; and Wieslaw Chrzanowski, the leader of the National Party.



Of the peasant party leaders not one was missing except the representatives of Jozef Slisz's PSL "S" faction and Henry Bak's rebellious faction of the "Wilanow" PSL. Thus the congress had every prospect for success. Just as the delegates were about to discuss substantive issues, someone in the audience asked, "Where is the General? How can we have a congress without the two chairmen, Kaminski (PSL) and Olesiak (PSL Odrodzenie) We feel insulted."

The chair cautiously began to answer, "We have unofficial information about them,..." but was interrupted.

"We know everything!" the delegates from Kielce Voivodship, whence both chairmen have mandates, shouted. "We saw the General this morning. Let us now read their declaration!"

### **They Are Alive and Arguing With One Another**

The declaration signed by both Kaminski and Olesiak on 5 May stated, "The unity and sovereignty of the peasant movement is our highest good.... We expected the Unity Congress of Polish Peasants to take place in June.... At the same time, the unity commissions appointed by congresses have been complicating and delaying our actions instead of supporting them. This was accompanied by a large number of base acts unseemly to the morality of man and members of the Peasant Party.... When finally all these obstacles were about to be overcome, the chairmen of both unity commissions decided, without consulting us, to advance the opening date of the congress.... The preparations for the congress took place without our participation, and the discussion even included the question of whether the chairmen [Kaminski of PSL and Olesiak of PSL Odrodzenie] should have a voice, whether they should be member of the presidium, etc. In such a situation we decided not to participate in the congress...."

The impression produced by this declaration was huge. It dotted the i on guesses and pregress speculations. It was the last word in the dispute between the Wilanow PSL and the Odrodzenie PSL.

Underlying it are personal animosities pursued under the guise of claiming the right to the tradition of the [prewar] PSL. The direct inheritors were undoubtedly the old activists who had belonged to the PSL leadership even before the war. It was precisely Gen. Franciszek Kaminski, the legendary leader of the wartime Peasant Battalions, Hanna Chorazyna, Tadeusz Nowak, and others, who had reactivated the PSL years later at Wilanow, where the Reverend Prelate Boguslaw Bijak is the local pastor.

Availing themselves of the complete support of the Catholic Church, the sympathy of Solidarity, and, above all, the situation in this country, this handful of veterans, living symbols of Mikolajczyk's PSL, returned to the political arena.

But on that arena there also appeared the reborn peasant movement linked to the defunct ZSL [pro-regime United Peasant Party]. To be exact, it inherited the ZSL's structure, assets (office space, automobiles, publishing houses) and membership (about 300,000 members). This PSL Odrodzenie [Rebirth], formed last fall, emphasized the forced nature of the alliance between the peasant movement and the PZPR in the past. It distanced itself emphatically from that alliance, just as it distanced itself from those among its activists who were considered renegades so far as peasant issues are concerned. It adopted the premise that the grassroots membership of the ZSL had always remained "pure" and they, too, under the aegis of the PSL Odrodzenie leadership, viewed themselves as the inheritors of Witos, Rataj, and Mikolajczyk.

The natural benefits of combining symbolism and authority (the Wilanow PSL) with the strength of a membership of thousands and material assets ([the building on] Grzybowska Street) were understood by Franciszek Kaminski, who reached—open-mindedly and without sulking—an agreement with K. Olesiak.

The name of Olesiak, an ex-deputy premier in the Administration of M.F. Rakowski and a longtime ZSL activist, was an anathema to others at Wilanow. It was feared that the "repainted nomenklatura of the ZSL" drew the oldster-general [Kaminski] to its side. However, despite his venerable age, F. Kaminski knew perfectly well with whom he was dealing and what the stake was, all the more so considering that, despite the jockeying for power at the top, at province and village levels the two opposed PSLs already began to merge into a single body.

Just before the congress, the [Wilanow] PSL published in its GAZETA LUDOWA an editorial that said, "The drive for the so-called grassroots-level merger of the Peasant Movement is basically a smokescreen for splitting up the PSL and the takeover of our name, symbolism, and programs by the previous apparatus of the ZSL." Reporting on the April 8 meeting of the PSL Supreme Council, GAZETA LUDOWA offered the reminder, "An overwhelming majority of those present disapprove of the policy of Franciszek Kaminski and his 'marriage' to the chairman of Odrodzenie.... Many of those present criticized the chairman's [Gen Kaminski's] actions and defended Chorazyna. In the fervor of the discussion it was revealed that Gen Kaminski has some kind of relationship with not only Chairman Olesiak [of PSL Odrodzenie] but also former Speaker of the Sejm Gucwa. To many of those present this news proved to be too much for one day."

Gen. Kaminski picked up the gauntlet. On 23 April at a session of the PSL Odrodzenie Supreme Council he commented about the congress being scheduled for this coming June. But forces opposed to the merger have begun to practice delaying and complicating actions. There was that crowded meeting at the parish hall in Wilanow which became a kind of bazaar at which everyone wanted to buy and sell peasants. And in late

November or early December I met there a group which was pondering ways and means of delaying and complicating the coming merger and making it so difficult to complete once it begins that it would never end. But the Reverend Bijak said then, "Gentlemen, don't do that."

### The Old and the Young

This time the voice of the people was heard. After all, H. Chorazyna, Wladyslaw Zabinski, Roman Bartoszcze, and Aleksander Bentkowski—the declaration's unnamed but obvious addressees were sitting in the first rows. But the authors of the declaration were absent. "Get the General!" the delegates shouted, and they sent a delegation to bring both party chairmen.

The chairmen arrived shortly, because they were awaiting "the will of the congress" since the morning at the apartment of F. Kaminski on Polna Street. They entered, greeted by applause and a broad smile from H. Chorazyna. The result seemed predictable and the domination by both chairmen absolute. The chair made a conciliatory proposal, "Let us forget the declaration just read to us." A climate of brotherhood indeed reigned in the auditorium. The spirit of "Let's love each other" reached its apogee after the unity resolution was passed. "Today the peasants unite!" Edward Kaleta thundered from the podium. But that was not the end of the congress. Discussion of the electoral procedure followed.

The proposals of the electoral committee, consisting of voivodship representatives, were intended to bring about a compromise. General F. Kaminski was offered the honorific title of "First Chairman." Jozef Zych (the chair until then) was nominated for chairman of the Supreme Council along with Wladyslaw Zabinski (also from PSL Odrodzenie but maintains good contacts with H. Chorazyna and exercises great influence in southern Poland). Roman Bartoszcze and Edward Kaleta, representing the [Wilanow] PSL, were nominated for the post of chairman of the united PSL.

A while later a bomb exploded: F. Kaminski declined to be nominated for the honorific post. When in a moment he expressed his readiness to exercise the duties of a "normal" chairman while K. Olesiak also declined to be nominated for the chairmanship, their tactic became obvious. The General, who serves as a symbol, would bestow his prestige on the party in the coming few tense months, while K. Olesiak, certain to be elected vice chairman, would hold strong reins over the PSL.

The delegates nominated additional candidates such as Roman Jagielinski, a Piotrkow fruit grower, the Reverend Bijak (!) ("As a confirmed supporter of the peasant movement I thank you for the honor, but canonical law forbids me to accept it"), and H. Chorazyna (she declined and smilingly got in a dig at Kaminski ("When one grows old, it is better to depart early than late").

Despite the sincere respect and even admiration for the General, this argument wins. The delegates elect Roman Bartoszcze the chairman (51 percent of the votes) over F.

Kaminski (36 percent) and E. Kaleta. Ultimately the General agrees to become the honorary chairman. Exhausted, together with the defeated K. Olesiak, he leaves the auditorium even before the congress is over.

In the meantime the contest for the vice chairmanship of the PSL commenced. In the first round R. Jagielinski beats J. Zych and W. Zabinski. On seeing the results of the vote J. Zych, who had in the beginning been misled by the ovation he had received for his speech, realizes that he was mistaken in accepting the nomination. He withdrew from the contest and Jagielinski ultimately won it.

Bartoszcze and Jagielinski may be an odd couple in the reborn united PSL. This was admitted even by the supporters of K. Olesiak who must soon start getting along with the new leadership.

Bartoszcze represents, as expressed by most delegates during the intermissions, an unquestioned moral authority in the Polish countryside. His family past (the beating of his father at a session of the Bydgoszcz Voivodship People's Council and the death of his brother under mysterious circumstances) reinforces his personal qualities. Deputy Jan Warjan views his friend as an uncompromising, energetic, and bold personality. In his opinion, this was repeatedly proved by Bartoszcze in Sejm, e.g., when he abandoned the ranks of the OKP [Caucus of Solidarity Deputies to the Sejm] (the beginning of a sharp conflict with B. Geremek) and more recently when he commented about the confidential agents of the Ministry of Internal Affairs within Solidarity.

On the other hand, such undiplomatic comments as well as the previous inaccurate comments about Kaminski and Olesiak point to the limited political experience of this Bydgoszcz farmer. Still, Bartoszcze is a new symbol and his youth does not at all detract from the authority he enjoys (on June 4 he would certainly have won the elections in Bydgoszcz Voivodship even without posing for a photograph with Walesa). He is the Catholic Church's man, as the Reverend Prelate Boguslaw Bijak confirms on stressing his religiosity and probity. But above all he is a born and bred peasant movement man.

Roman Jagielinski, also fairly young, should match Bartoszcze step by step. A voivodship activist of PSL Odrodzenie, he is politically bold although more restrained in his judgments. The comments made by the delegates about him during the congress stress his industriousness and achievements as a farmer. (They repeatedly said of him, "He has the most magnificent fruit orchard in Poland.")

### Olesiak Is Gone: Will It Be Easier for the PSL?

Bartoszcze and Jagielinski were the two big winners on 6 May. Actually, however, there were no losers, with the exception of Kazimierz Olesiak. (Still it is a paradox that Olesiak, a man with such high economic and political qualifications who enjoys unquestioned authority among

peasants had to depart the scene owing to an outworn [political] label. Will the PSL avail itself of his knowledge and expertise in the future?)

Undoubtedly the winner was the entire peasant movement, the Polish countryside, as was repeatedly declared in the Polytechnic's auditorium. The new united PSL is the first "pure" party of a new type meeting present-day requirements. It has a membership of more than 300,000 as well as assets which it will not give up even though their legal status varies. In becoming a national party and declaring its openness to the intelligentsia as well, it is going to grow into a major political force in this country. This entails a variety of consequences.

Given the weakness of the Right and the Left and the survival of Solidarity as a political movement, there may come a confrontation between Solidarity and a strong and united PSL. The first collision will occur during the elections to local governments. In the countryside the [Solidarity] citizens' committees may lose.

The situation in the Sejm will not change much, at least for the time being. A united and strong caucus of PSL deputies to the Sejm will certainly attract new sympathizers. This will prompt countermeasures by the OKP [caucus of Solidarity deputies] which has from the beginning been maintaining an artificial unity, and which nowadays is highly fearful of the peasant movement. Incidentally, any contacts between the leadership of the OKP or Solidarity and the PSL Wilanow have been interpreted on Grzybowska Street [headquarters of the PSL Odrodzenie] as sabotage of the peasant cause and of the merger of the two PSLs.

The peasant movement (which had until recently been proclaiming a program diffidently termed corrective) will collide with the government on the principles of agricultural policy. Thus the answer to the question of whether the conflict between town and country should be accelerated and the existing pseudocoalition broken up or whether the strong peasant movement should be conciliated is to be sought in Gdansk [Walesa]. How? That is not clear yet, and Roman Bartoszcze's comment, "We want to be an autonomous political force, in the opposition," does not prophesy easy negotiations.

But the PSL also has its weaknesses. The image of its uniform representation of peasants is a myth, because the material and cultural differences among peasants are too wide. Then also there are the differences in personal approaches and the traditional feuds, "consonant with nature." There is an absence of new-age politicians and activists as well as of an intellectual base of support.

Entering into fortuitous alliances (such as the ridiculed "alliance of the peasantry with the nation") may produce temporary advantages or longterm and negative consequences.

The peasant movement lacks stable foreign contacts (money!) such as Solidarity is drawing upon nowadays and such as the Social Democracy expects to shortly draw upon.

The PSL associates itself with Mikolajczyk's program, Christian values, agrarianism. It has yet to make these values sound more contemporary.

Last Saturday an oft-voiced opinion was that a strong and united peasant movement would benefit not just the countryside but entire Poland. A lofty saying, but how will it be translated into reality?

### **Second National Solidarity Congress Adopts Resolutions**

90EP0541A Warsaw TYGODNIK SOLIDARNOSC  
in Polish 27 Apr, 4 May, 18 May 90

[Resolutions 1-21 of the Second National Congress of Delegates, Independent Self-Governing Trade Union Solidarity; adopted 20-24 April 1990 in Gdansk]

[27 Apr p. 2]

[Text]

#### **Resolution No. 1**

The Second National Congress of Delegates of NSZZ Solidarity invites all members of the National Commission and the Revision Commission who were elected at the First Congress of NSZZ Solidarity in 1981, but who are not delegates to the Congress to be its guests.

#### **Resolution No. 2**

The Second National Congress of Delegates of NSZZ Solidarity confers absolution to the out-going National Executive Commission on all accounts.

#### **Resolution No. 3**

The Second National Congress of Delegates of NSZZ Solidarity, acknowledging the right of every nation to freedom and independence, supports the declaration of independence issued by the Supreme Council of the Lithuanian Republic on 11 March 1990.

We call on all people of good will, all nations, and all governments that signed the final act of the CSCE [Conference on Security and Cooperation in Europe] to acknowledge that the Declaration of Independence of the Lithuanian nation is in accordance with this act.

We believe that soon Europe will be the common home of free nations.

#### **Resolution No. 4**

The Second National Congress of Delegates of NSZZ Solidarity demands that the buildings released by the PZPR [Polish United Workers Party], the ZSL [United Peasant Party], the SD [Democratic Party], and the

ZSMP [Union of Socialist Polish Youth] be dedicated, before anything else is done, to the needs of science, education, culture, and health.

**Resolution No. 5**, on the matter of the Union's aid for the initiatives to commemorate the events that took place in the "Wujek" mine after the imposition of martial law.

The Second National Congress of Delegates of NSZZ Solidarity binds the newly elected leadership of the Union to serve as patrons in the building of a monument—the Cross of the Miners Killed for Solidarity—and to impart material and organizational aid to this initiative.

The Congress ardently supports the idea of making a film about the tragedy of the Wujek mine and recommends to the leadership of the Union that all possible aid be given in realizing this intention.

**Resolution No. 6**, on the matter of Polish culture.

In a world of battling systems and ideas, of social and economic crises, of the cult of money and things, less and less room remains for culture. And yet it is precisely through culture, as the sphere in which man's intellectual and aesthetic needs are satisfied, that our human dimension, nobility, and national existence are manifest.

It was culture that ensured our survival in the years of partition and occupation. During the martial law period, independent culture was one of the most essential elements in sustaining social resistance. It was the people of Polish science and culture who were the participants in the boycott of publishers, and it was they who co-created an independent press, published underground books, and organized illegal exhibitions and concerts.

The current crisis in Poland poses a tremendous threat to culture, to the social environment of the people who create culture, and to the existence of cultural institutions. The Union must see to the creation of effective barriers against the automatic subjugation of the world of culture to the mechanisms of economic reform. The social environment of culture, left to itself, is too weak with respect to these mechanisms. The fate of culture must become the concern of the entire society and in particular the concern of the mass of Union members who are conscious of the goals of their activities.

We, the members of NSZZ Solidarity, therefore believe that the fate of society and the Polish nation will depend not only on the country's return to economic health, but to no less a degree on the care we take of Polish culture. In caring for the development of Polish culture, we state our willingness to show no less care in ensuring that the national minorities living in Poland will find the conditions for the free development of their own culture and its transmission to the next generation in the homeland they share with Poles. We want to remain in this way true to the traditions of the Republic of many nations. Culture will continue to require state, municipal, and

individual subsidies. NSZZ Solidarity expects the leadership of the Union and also our representatives in the Citizens' Committees and future organs of local government to protect culture in the name of the interests of the entire society.

**Resolution No. 7**

The Second National Congress of Delegates of NSZZ Solidarity maintains that the composition of the parliament elected in June 1989 does not reflect the true disposition of social and political forces in the country. The process of necessary political and economic change demands acceleration.

We demand the introduction of completely free and democratic elections to parliament and direct, general elections for President of the RP [Polish Republic] in spring 1991.

[4 May p. 2]

[Text]

**Resolution No. 8**

On the night of 21-22 April at 5 o'clock in the morning, a fire broke out in the apartment of the editor Jerzy Jachowicz, a journalist for GAZETA WYBORCZA, who had specialized in the affairs of the SB [Security Service]. Maria Jachowicz, his wife, jumped out of the burning apartment and fell to her death. Their daughter is in the hospital.

The Second National Congress of Delegates of NSZZ Solidarity, impelled by the conviction that Polish public life must be based on the principles of law and truth, calls on the government to appoint a special commission to investigate all the circumstances of this fire and to immediately inform the public on the progress of the inquiry.

**Resolution No. 9**

The Second National Congress of Delegates of NSZZ Solidarity accepts that it is possible for members of parliament to fulfill union functions.

**Resolution No. 10**

The Second National Congress of Delegates of NSZZ Solidarity demands that work be immediately undertaken in order to abolish or change all the laws and other legal acts which were hitherto in force and that resulted in unjustified and socially unwarranted privileges.

**Resolution No. 11**

Delegates to the Second National Congress of Delegates of NSZZ Solidarity pay thanks to the democratic union movement for the support and aid imparted to our Union since the earliest days of its existence. We well remember that in the most difficult years of our struggle for survival and for the return to legal activity following December 1981, NSZZ Solidarity was supported by international union organizations, which never recognized the banning of our Union. What is more, in

November 1986, NSZZ Solidarity simultaneously became an affiliated member of both the International Confederation of Free Trade Unions and the World Labor Confederation. Indeed, in our work on behalf of our union and the program of socio-political reform in Poland, we were given strength by the awareness that we had so many friends—on every continent—who were devoted to our cause, rushing to us with material aid, and mobilizing public opinion in the democratic countries to defend NSZZ Solidarity.

**Resolution No. 12, on the matter of the national minorities.**

The Second National Congress of Delegates of NSZZ Solidarity, in reference to the help for the national minorities living in Poland that was declared by NSZZ Solidarity in 1981, states that the Union's deepest desire is to realize the idea of solidarity with the problems of every person, regardless of his national origin or religious affiliation. The common history of the multinational Republic and the tradition of Polish tolerance are the legacy to which we want to appeal in creating the political-legal framework for the coexistence of people of various nationalities and faiths.

The approaching elections and the introduction of local self-government should contribute to the acceleration of the process by which the representatives of the various nationalities and faiths that inhabit the Polish Republic are recovering their rightful place in social, political, and cultural life.

**Resolution No. 13**

The Second National Congress of Delegates of NSZZ Solidarity protests against the employment of former employees of the internal affairs department and activists from the PZPR apparatus and procommunist youth organizations in schools or other institutions of education and culture.

We are sending this appeal to the Ministry of National Education so that appropriate actions might be taken.

**Resolution No. 14**

The Second National Congress of Delegates of NSZZ Solidarity declares that it is in favor of the legal protection of human life from the moment of conception.

**Resolution No. 15**

The Second National Congress of Delegates of NSZZ Solidarity addresses the Citizens' Parliamentary Club with a proposal to undertake a legislative initiative to recognize the Declaration of Disabled Persons issued by the General Assembly of the United Nations. This declaration should be respected in all phases of economic and social planning.

**Resolution No. 16**

The Second National Congress of Delegates of NSZZ Solidarity calls on the President of the Republic to

immediately ratify the following Conventions of the International Labor Organization:

1. Convention No. 102 from 1952 on social security;
2. Convention No. 121 from 1964 on benefits in case of work-related accidents and occupational illnesses;
3. Convention No. 128 from 1967 on old-age benefits in case of disability and in case of the death of the family provider;
4. Convention No. 159 from 1975 on the exploitation of human resources.

The law established by the International Labor Organization, which is universally recognized in civilized society, may play a creative role in the creation of Polish law.

**Resolution No. 17**

The Second National Congress of Delegates of NSZZ Solidarity recognizes the urgent need to bring order to the problems related to sanatoria. We expect the Government of the RP to undertake legal initiatives which will ensure the restoration of the sanatoria to society.

In particular, it is necessary:

- to determine legal ownership of the sanatoria which are at the disposal of the OPZZ [All-Polish Trade Unions Agreement], the MSW [Ministry of Internal Affairs], the MON [Ministry of National Defense], et al.;
- to ensure the supervision of sanatoria by the Ministry of Health;
- to define the principles of reimbursement, based on the established system of social insurance, for a stay in the sanatorium;
- to accept the principle that places will be allotted exclusively on the basis of physicians' orders.

**Resolution No. 18**

Higher education and schooling have great tasks before them:

1. the preparation of generations of young Poles, who are to be the actual stewards and co-creators of culture, for the conscious and responsible acceptance of their duties with respect to their own families and to the Fatherland;
2. being equal to the challenges of the information and technological revolution that is taking place in the countries of Western Europe and America.

The fulfillment of these tasks is a condition not only of Poland's participation with full rights in the Europe of Fatherlands, but also the chance for Poles and the Polish economy to succeed in competitive markets for labor, products, and services.

In the world of today and of the future, knowledge, expertise, and intellect count the most. The fate of our



children and grandchildren, the fate of our Fatherland, depends on how, by whom, and in what conditions they are educated. Therefore it is necessary:

1. to adapt teaching programs to the needs of the future;
2. to assure parents of the opportunity for a genuine choice of school and teachers;
3. to assure schools (especially technical and trade schools) of scientific assistance on a world level;
4. to assure teachers of sufficient pay, so that the profession will become attractive to the best.

Only then will we protect the future generations of Poles from the fate of those unable to acquire attractive work and unable to defend their cultural identity, and to protect Poland from backwardness as a civilization.

#### **Resolution No. 19**

The Second National Congress of Delegates of NSZZ Solidarity binds the Factory Commissions to settle their financial obligations in relation to the Regional Boards before 30 June 1990, and the Regional Boards in relation to the National Committee.

Financial obligations should be settled according to previously established principles.

[18 May p. 19]

[Text]

#### **Resolution No. 20**

The Second National Congress of Delegates of NSZZ Solidarity supports the legislative initiative undertaken by the deputies of the OKP [Citizens Parliamentary Club] that concerns the return of NSZZ Solidarity's property, which was confiscated after 13 December 1981 by the administrative authorities and the organ of persecution.

The following questions should also be regulated by law:

1. the return of wealth to private persons who lost it as a result of activity in NSZZ Solidarity;
2. the allotment to the Union of the portion of the wealth of the former CRZZ [Central Council of Trade Unions] due it.

It should be unequivocally stated in the law that the conception of the "Union's wealth" used therein also embraces the funds seized from the organizational structures of NSZZ Solidarity.

The delegates appeal to the deputies and senators for the quick passage of this law.

**Resolution No. 21**, on the matter of the Union's financial activity.

#### *Chapter I—On Membership Dues and Their Division*

Par. 1. The basic amount of membership dues from the working members of the Union is established as one percent of salary, inclusive of all pay supplements except for allowances, awards, family relief, and compensation.

Par. 2. In justifiable cases, the factory commission may, with the agreement of the majority of members, proclaim higher dues. However, these may not be more than two percent of salary, including supplements as in Par. 1. The entirety of the dues above one percent will remain at the disposal of the factory commission.

Par. 3. For other members of the Union the following amounts of monthly dues are established:

a) for pensioners and retired persons whose retirement pay or pension is less than or equal to the national average pay, 0.5 percent of pension or retirement pay;

b) for pensioners and retired persons whose retirement pay or pension is greater than the national average pay, one percent of pension or retirement pay;

c) 0.5 percent of benefits for those receiving unemployment or other benefits.

Par. 4. The entirety of income taken from the dues of retired persons, pensioners, and persons receiving benefits will remain at the disposal of the factory commission.

Par. 5. In exceptional cases, the factory commission may pass a resolution on the motion of an interested member of the Union which suspends or reduces membership dues.

Par. 6. The following division of one percent of the membership dues is established:

a) 75 percent of receipts will remain at the disposal of the factory commission;

b) 22 percent of receipts will be transferred to the regional board;

c) 3 percent will be transferred to the National Commission through the mediation of the regional board.

Par. 7. Factory organizations in the disabled persons' cooperatives will transfer 10 percent of the receipts from one percent of the membership dues to the regional board.

#### *Chapter II—Statutory Benefits and Grants*

Par. 8. The amount of statutory benefits is established by the National Commission.

Par. 9. The following principles of payment of statutory benefits are established:

1) Entitlements from the birth of a child:

a. are paid to both parents,



b. are paid separately for each child born,

c. are also paid for a stillborn child,

d. are paid to a lone mother in a sum 100 percent higher.

2) Entitlements from the death of a member of the Union:

—only one benefit payment is made to the person who documents the defrayal of costs connected to the funeral.

Payments will be made by the factory commission of the deceased union member.

3) Entitlements for the death of a family member:

a. are paid to all entitled members of the Union in the event of the death:

—of a spouse, of one's parents or spouse's parents, of a dependent child, of a wholly dependent person;

b) are also paid to one of the parents for a stillborn child.

4) General principles:

a. to gain the right to benefits, a six-month period of union membership is required (this does not include persons undertaking employment for the first time),

b. submission of a certificate of birth or death as well as documents defining the degree of kinship is required,

c. application for the payment of benefits is required within six months of the date of birth or death,

d. all rules from points three and four also apply to retired persons, pensioners, and persons on educational or guardian's leave,

e. the amount of benefits paid is established according to the date of the occurrence of the event entitling one to benefits,

f. in all cases not regulated by the above principles, the factory commission has the right to make individual decisions.

Par. 10. The disbursement of relief payments belongs exclusively to the province of the factory (departmental) commission. The amount of relief depends on the factory commission's ability and the needs of the applicant, while preserving the principle of the factory commission's financial self-sufficiency.

#### *Chapter III—Salaries of Union Activists*

Par. 11. The following principles defining the maximum salary of full-time Union activists elected to the level of the regional board and the National Commission are established.

1) Activists at the regional-board level:

a. chairman—twice the average salary prevailing in the five basic branches of the national economy as publicized by GUS [Main Statistical Office] in the month preceding the payment, plus a functional supplement for the chairmen of regions with more than 40,000 members, according to the following principles:

—below 40,000 members of the Union—no functional supplement, 40,001 to 100,000—10 percent of the fundamental salary, 100,001 to 200,000—20 percent of the fundamental salary, more than 200,000—30 percent of the fundamental salary,

b. deputy chairmen—analogous to the regional chairman, including possible functional supplements, minus 10 percent of the salary calculated in this way,

c. the remaining full-time members of the board's presidium—analogous to the regional chairman, including possible functional supplements, minus 20 percent of the salary calculated in this way,

d. members of the regional board who might be employed—analogous to the regional chairman minus 30 percent of the salary calculated in this way.

2) Activists at the level of the National Commission:

a. chairman—analogous to the chairman of a regional board of more than 200,000 union members, plus 10 percent of the salary calculated in this way,

b. deputy chairman—analogous to the chairman of the national commission, minus 10 percent of the salary calculated in this way.

3) The salary of an elected union activist may not be lower than the salary received in the last month of employment before assuming union functions.

Par. 12. The salary of elected activists of the Union who are employed in branch commissions is established by the National Commission.

#### *Chapter IV—General Resolutions*

Par. 13. In the case of fulfilling more than one union function, payment of only one salary, chosen freely by the interested person, for the term of office is applicable.

Par. 14. The salary of full-time activists of the factory commissions remains on the former basis until the passage of the law on trade unions.

Par. 15. The profession sections, branch sections, inter-factory coordinating commissions, and other organizations may be financed on the basis of the decisions of the union authorities at the proper level: sections of regional scope may be financed by the regional board; sections of national scope, however, may only be financed by the National Commission.

Par. 16. In the event of a lack of resources (as documented by the factory commission) with which to pay statutory benefits, regional boards are obliged to refund statutory benefits in spite of correct financial management practices.

Par. 17. Factory commissions will be obliged to regulate dues until the 20th of next month, and regional boards until the 30th of next month.

Par. 18. The National Commission is the disposer of subsidies and donations given to the union without indication of the precise structure of its recipient (regional board, factory commission, branch section, and so forth).

Par. 19. The financial principles defined above go into effect on 24 April 1990.

### **POLITYKA Weekly News Roundup**

90EP0527A Warsaw *POLITYKA* in Polish No 14, 7 Apr 90 p 2

[Excerpts]

#### **National News**

[passage omitted] The Social Democracy of the Republic of Poland supports moving up the parliamentary elections. Leszek Miller, secretary general of the party, said during a meeting with journalists because the agreements of the roundtable have ceased binding anyone; also the role of the Senate is doubtful in practice, and in the future a Self-Government Chamber should replace it. [passage omitted]

The temporary officers for Solidarity '80 have been named. Marian Jurczyk from Szczecin is the chairman; Stanislaw Kocja of Szczecin is first deputy chairman, and Seweryn Jaworski of Warsaw is the other deputy chairman.

KONFRONTACJE has presented the shadow cabinets to its readers. The Center-left cabinet, in the opinion of the journal, would be as follows: premier, Bronislaw Geremek (Citizens' Parliamentary Club); deputy premiers, Adam Michnik (Citizens' Parliamentary Club), Jan Jozef Lipski (Polish Socialist Party), and Tadeusz Fiszbach (Social Democratic Union); minister of labor and social policy, Karol Modzelewski (Citizens' Parliamentary Club); of justice, Jan Olszewski (unaffiliated); of internal affairs, Zbigniew Romaszewski (Citizens' Parliamentary Club); of foreign affairs, Janusz Onyszkiewicz (Citizens' Parliamentary Club); of national defense, counter admiral Romuald Waga (unaffiliated); of national education, Aleksander Gieysztor (unaffiliated); of the market, Stefan Bratkowski (unaffiliated); of industry, Ryszard Bugaj (Citizens' Parliamentary Club); of finance, Waldemar Kuczynski (unaffiliated); of culture, Grzegorz Boguta (unaffiliated), of health, Zofia Kuratowska (Citizens' Parliamentary Club); of agriculture, Jacek Szymanderski (Citizens' Parliamentary Club); head of the Office of the Council of Ministers,

Henryk Wujec (Citizens' Parliamentary Club); Office for Local Self-Government Affairs, Andrzej Celinski (Citizens' Parliamentary Club); Office for the Transformation of the Political System, Wojciech Lementowicz (unaffiliated); press spokesman, Andrzej K. Wroblewski (unaffiliated); chairman of the Radio and Television Committee, Maciej Wierzynski (unaffiliated). In the center-right cabinet: in the opinion of KONFRONTACJE, the head of the government would be Andrzej Stelmachowski (Citizens' Parliamentary Club); the deputy premiers, Stefan Kurowski and Ryszard Bender (Labor Party), Andrzej Wielowieyski (Citizens' Parliamentary Club); the minister of justice, Wladyslaw Sila-Nowicki; of foreign affairs, Marcin Krol (unaffiliated), of internal affairs, Jan M. Rokita (Citizens' Parliamentary Club), of culture, Jan Jozef Szczepanski; head of the Radio and Television Committee, Zdzislaw Najder (unaffiliated); of religious affairs, Ryszard Reiff (Citizens' Parliamentary Club).

The management of the Jaworzno Mine, GAZETA WYBORCZA reports, has laid off 4,000 workers (nearly half of those employed); the daily production until now was 16,000 tons; the sales have declined by half and are continuing to decline, although the mine's coal is among the cheapest in Poland (51,705 zloty subsidy is provided for every ton, while for the Walbrzych mines that figure is more than 400,000 zloty). Beginning in April the workforce will work only four days. [passage omitted]

The president of the Council of Ministers has introduced a prohibition on the import of pure alcohol and pure vodkas. The prohibition does not include other alcohols and the so-called tourist allowables.

TRYBUNA has discussed militia wages. A main commander, gen. division, with 35 years of service 2.16 million zloty; the head of a voivodship internal affairs office of the first category (Warsaw and large centers), gen. brigade with 35 years of service 1.787 million zloty; a district officer, staff sergeant with 14 years of service 617,000; a militiaman, platoon sergeant with 11 years of service, 546,000.

The new taxes on clergy raise the amount by 100 percent in relation to 1989. For example, the tax on the income of a parish priest, depending on the size of the parish is as much as 70,000 zloty.

The daily CZAS is again being published in Krakow. Among those on the staff of the publication, which is being published as an independent publication, are Mieczyslaw Gil and Jan Rokita (deputies in the Citizens' Parliamentary Club) and Maciej Szumowski, Jan Polkowski, and Ryszard Tadecki. [passage omitted]

The Union of Fighters for Freedom and Democracy has transformed itself into the Polish Union of Combatants and Former Political Prisoners. The change in the name was supported by 394 delegates and opposed by 306. Gen. Arms Jozef Kaminski, an officer of the former Union of Fighters for Freedom and Democracy, was elected chairman of the Main Board. [passage omitted]

The General Savings Bank announced the monthly interest rates for savings and funds in accounts of the General Savings Bank in April 1990: 36-month deposits, 8.5 percent; 24-month deposits, 8.25 percent; 12 month deposits, 8.0 percent; 6-month deposits, 5.0 percent; 3-month deposits, 4.0 percent. [passage omitted]

#### Opinions

*Stanislaw Centkowski, a functionary of the Security Service in Czestochowa:*

(A comment for TAK I NIE 23-25 March 1990)

"The mood among those employed in the Security Service is terrible. The campaign against us recalls the times of the witch hunts in the United States in the 1950's and in Poland during the late 1970's. And the campaign is being promoted by those who remember those hunts. The former political overseer of the Security Service, the dissolved PZPR, has dodged responsibility, which is to be born by the rank and file functionaries of the Security Service. It is not necessary to recall that it was the party itself that made all the decisions as regards the goals of the operations of the Service. Meanwhile, the former politicians of the PZPR, gamboling about like does, are continuing their political careers; they will actively participate in the self-government elections and probably in the parliamentary ones, and they were the ones who ran the Security Service."

*Gabriel Janowski, senator, chairman of the NSZZ Solidarity of Individual Farmers:*

(Interviewed by Andrzej Koziol, WIESCI 25 March 1990)

[Answer] Certainly, we did not have support on the left. I am thinking of the PZPR and even of the ZSL, which were in effect immobility. Where Solidarity is concerned, however, during the initial period it supported our efforts; while now it has initiated a regular battle for political influence. As one of the largest occupational groups, we are, let us say, a threat in the political sense for every other force. As a result, all the other political forces will not support us, but are weakening us and have already done so in a variety of ways. If we want to be present on the stage, we must fight for our place. [passage omitted]

*Andrzej Micewski, a journalist and Catholic historian:*

(Interviewed by Halina Retkowska, TRYBUNA OPOLSKA 24-25 March 1990)

[Answer] I think that Lech Walesa should mind his primary position in relation to the other existing political currents. That would be possible if he concentrated all of his strength on the trade union Solidarity. Since, however, he has yielded to his political aspirations, true union activity has suffered significantly as a result. In sum, Walesa has found himself, in my opinion, on one of the sides. Having decided that leftist Solidarity is doing too much on its own, he has created a rightist alternative

to it in the form of a group centered around the Kaczynski brothers and is supporting them.

*Jacek Kuron, minister of labor and social policy:*

(Interviewed by Andrzej Rosner and Ryszard Turski, PO PROSTU)

[Question] You think then that there is no "they" now?

[Answer] No! There is no communism any longer; there is no totalitarianism; only a collapsed mass remains from that business, with which something must be done.

[Question] Then there are no threats? What do you think of the problem of the nomenklatura?

[Answer] I should agree with the opinion of my coworker who comes from the old nomenklatura. He said that the nomenklatura could be dangerous as long as there was a political chance of regaining power. But there is no such chance. Perhaps there are a few old fogies somewhere, who meet each week and spin out joint common dreams on how nice it would be if it happened that way. That is normal, but it belongs to the genre of political folklore.

## YUGOSLAVIA

### Problem of Expulsion of Kosovo Albanians

#### Policy 'Wrong,' 'Ineffective'

90BA0144A Zagreb DANAS in Serbo-Croatian  
22 May 90 pp 27-28

[Article by Fahrudin Radoncic: "Discharge From One's Homeland"]

[Text] Three years ago, when Milan Obucin, delegate in the Assembly of SR [Socialist Republic] Serbia, asked out of what seemed to be mere curiosity whether Yugoslavia was exaggerated in fulfilling international obligations toward so-called political emigres from the People's Socialist Republic of Albania, the young Albanian Rama Hoti, who was born and grew up in Djakovica, did not even suspect the nightmare he would have to live through. Greatly expanded, this curiosity on the part of the delegate has in the meantime become one of the main trumps of the Serbian political leadership, which in doing its best to arouse the hot patriotism of the political rally has begun to advise the slumbering conscience of the country's custodian in a loud voice that the country has been "occupied by 300,000 immigrants," that is, "infiltrated subversives." Now that aroused passions have changed direction to some extent, the fantastic figure of several hundred thousand Albanian immigrants has dropped to no more and no less than 732 persons whose refugee status has been recognized.

Presumably in order to channel the resentment of those who expected too much toward others and to demonstrate once again the Serbian leadership's determination

to resolve the issue of Kosovo in its own way, Mihalj Kertes revived the relevance of the immigrant question in his own peculiar way.

The tragicomic figure of the "antibureaucratic" policy found a ready scapegoat for the lack of expeditiousness in deporting the immigrants, which had been promised so unthinkingly, in the SFRY Presidency and in the person who until yesterday was its president. The debate aroused on that occasion seems to have been revived by the document which the Security Center in Djakovica served on Rama Hoti, a 26 year old resident of Djakovica.

The letterhead of the decision "REVOKING further sojourn in the Socialist Federal Republic of Yugoslavia and FORBIDDING entry until rescindment, in the year (blank not filled in—author's note) of Rama Hoti, citizen of the People's Socialist Republic of Albania, born 19 January 1964 in Djakovica," does not include the title of the SFRY, but only SR Serbia?! Omission of the name of the federal state in the letterhead of the document is indicative, but for Rama, who received the decision on 14 April of this year and under it should already have left the country ("the person named above is required to leave the territory of the SFRY within 30 days, and an appeal does not postpone execution of the decision"), that is not the most important thing.

"It is all like some bad dream. Just imagine that someone orders you to leave forever those who are closest to you, your city, your home, your friends, and your job. I never imagined that anything like this could happen. I was born in Yugoslavia. I finished elementary and secondary school in Djakovica. I took a job here, and I work as an agricultural technician at 'Erenik.' I am the only person employed in a family of 10, and it has to be me who leaves the country," Rama says; although officially unmarried, he is expecting a child any day.

The period for leaving Yugoslavia expired on 14 May. The Hoti family is afraid a policeman will appear in front of their house. The trouble may be still greater, since a second member of the large household, his brother Din, has been notified by the police and expects to have an identical decision served on him.

"Better to have died than to live apart from our family. Our parents emigrated from Albania in 1948. As far as I know, they did not take Yugoslav citizenship because of the modest compensation to which they were entitled as refugees from the UN High Commissioner's Office. When the talk began about deporting the emigres, we were a bit worried about our mother Time. No one could believe that it was our youngest, Rama, who was the first to receive the decision. Neither my brother nor I have ever taken part in any demonstrations. I graduated from the School of Economics, I am not employed anywhere, I have a wife and four children. My oldest son Abedin is 7. What will happen to them if I have to leave Yugoslavia? What will they live on and who will feed them, what country is going to take me if the country where I

was born, where I graduated from the university, and where I started my family does not want me?" Din observes resignedly.

How and where? The police have told the brothers that they can make the rounds of the embassies and seek a place for themselves in one of the countries, but if none of them wants to take them, that is their personal problem!

It is silent in the room in which carpets and cushions have been spread out on the floor. One hears only the ticking of the large clock on the wall, which hangs beside the needlepoint portrait of Skender-beg. The clock is clearly fast. Time also seems to be running out for those who intend at any price to deport the Albanian emigres from Yugoslavia. A representative of the European Parliament for human rights has also heard the ticking of that same clock and the same story in this same room. After his departure, the local police also showed a great interest in that conversation. Four days running it has called Din Hoti in for "background sessions." According to him, the inspectors place very great importance on learning how the "secret contact" was made with this parliamentarian and to have a complete reproduction of the conversation conducted at that time, nor did they refrain from an ideological sermon about how such visits compromise Yugoslavia. Someone is, of course, guilty on that account. This time it is the Hoti family.

Afraid of being deported to camps for foreigners in some foreign country or of being arrested in Yugoslavia (for failure to carry out the decision revoking further residence), the Hoti family turned first to the Canadian Embassy in Belgrade, where they received the following answer: "In connection with your case, we have contacted the United Nations High Commissioner's Office in Belgrade—58 Proleterskih Brigada (telephone number 4444-244), and they have notified us that you should contact them." That is all.

According to a portion of the documentation received by the Kosovo Committee for Protection of Human Rights and Liberties, the members of this family are not the only ones in our province whose sleep is restless and disturbed by nightmares. For example, on 16 May Fehmi Duraku, born 17 July 1957 in Pristina, was also supposed to leave Yugoslavia. Incidentally, the application of this breadwinner of a family of six for citizenship of SR Serbia and the SFRY was rejected back on 18 February 1986.

The deadline also passed that same day for Naim Haxhi of Urosevac, who is the same age. His case is a bit more specific. The Misdemeanors Court in Urosevac sentenced Naim to two months in prison because "in 1981, he engaged in hostile activity," and in view of that fact his sworn statement made back in 1987 "that he fully accepts citizenship of Serbia and Yugoslavia" had no chance at all to be accepted, so that he would also have to leave his family.

According to the documentation being carefully assembled in the Committee for Protection of Human Rights, a decision to leave Yugoslavia was also served on Bedi Reposhi, a 25-year-old from Urosevac. Bedi applied for Yugoslav citizenship in 1985 which, as in many other cases, was not granted. A year later (1986), Reposhi was sentenced to two months in prison for having, states the documentation, "beaten up Dragan Jacic, Boban Ivanovic, and Tomislav Denic."

Verification of this conclusion in the only place which has jurisdiction—the provincial police—proved to be impossible. We were told in the section for foreigners that we can obtain all the information in the office of the provincial secretary for internal affairs. Although the decisions are being written and served in Kosovo, the people in the office, who did not conceal their surprise that we had directed our inquiry to them, referred us to Belgrade and the Secretariat for Internal Affairs of the Republic of Serbia.

Dr. Zekerijah Cana, professor and secretary of the Committee for Protection of Human Rights, who by the time readers receive this issue of DANAS will be in the defendant's box because of the charge that he "made false assertions about the behavior of the Joint Police Detachment toward the Albanian population"—had this to say concerning the heightened urgency of the emigre issue: "This is an act against humanity and civilization. I emphasize this because these are people most of whom were born in Kosovo, went to school here, who have started their families, and are employed. You can imagine what kind of tragedy this is when young people must leave everything they have, their wives, their children, their friends, and their country. Everyone who upholds human rights, the individual, freedom, and elementary achievements of civilization in the domain of human rights condemns this act.

"Yugoslav public opinion, at least up to now, has not been up to its task, since it did not oppose this unprecedented act of deporting people from Yugoslavia. This act cannot be squared in any respect with the law-governed state, as is demagogically being done. This is a brutal act by the authorities and deserves to be most harshly condemned as such." A reaction similar to Cana's also came from the newly formed Association for the Return of Albanians Who Have Emigrated: "If Yugoslavia feels that 730 Albanian refugees are a burden on it, there is nothing we can do but to offer them our help. It is evident that they are being deported solely on the basis of the country of origin (certainly all the refugees in Yugoslavia are not from Albania), which, in the opinion of the association, is contrary to Paragraph 3 of the International Convention on Refugees, which has been ratified by Yugoslavia."

Without aiming to make any sort of pretentious analysis, it is not difficult to conclude that the obvious absence of any selectivity in carrying out the deportation decision (especially if it proves to be true that most of them being deported were born in Yugoslavia and that most of the

refugees have taken a loyal stance toward our country) will tend to bring on Serbia still greater political isolation and condemnation. At the same time, this means that Yugoslav diplomacy will itself have additional tasks in clarifying the situation that has come about concerning the "immigrant issue."

In spite of the protection from various human rights committees, so far those being deported have been forced to seek solutions of their own. Given our situation, it is no wonder, as we have heard, that a dozen or so immigrants whose deadline for leaving the country had expired called upon the northwestern republics to rescue them from "Serbian deportation."

Nevertheless, between being exported or being given shelter in Slovenia and Croatia, if one believes the statement made by one of those "processed," there is a third alternative, which would seem to be the easiest—spying for the Serbian Republic Secretariat for Internal Affairs. According to that version, immigrants may remain in Yugoslavia if they accept that kind of cooperation, which allegedly also pays well, but judging from the fact that these spicy details have become an integral part of the din in the market and are being passed on to journalists in confidence, there is not much chance that this choice will work anymore.

The ever greater homogenization of the Albanian population manifested both in the widespread "settlement of blood feuds" and also in the forgetting of religious differences among Albanians is undoubtedly yet another response here to the immense psychological pressure, the latest element of which has been the deportation orders for Albanian immigrants. And the announced arrival of Mother Theresa in Kosovo will be an occasion to affirm ethnic solidarity; it will reportedly break the Gazimestan record for "people happening," this time on the part of the Albanian people.

The Kosovo drama, which has entered yet another tragic entanglement in the deportation of several hundred Albanian immigrants from Yugoslavia, has been headed toward a grave trauma of this kind from the first day of the mistaken policy.

#### Issue of Legal Status

90BA0144B Zagreb DANAS in Serbo-Croatian  
22 May 90 p 29

[Interview with Dr. Vojin Dimitrijevic, professor and president of the Yugoslav Forum for Human Rights by M.B.; place and date not given: "Dialogue With and About Kosovo"]

[Text] [M.B.] The Yugoslav Forum for Human Rights has already established itself in the debate on Kosovo topics. What are your views about protection of human rights in connection with the demographic movements being alluded to and related to the population of this province and Serbia in general?



[Dimitrijevic] Recently, the forum has been trying above all to calm the situation in Kosovo by means of a dialogue among all those who accept certain basic preconditions: Yugoslavia's territorial integrity, human rights, and so on. Second, the forum has been trying to contribute to establishing the truth, involving actions of all kinds. After all, it became evident even during the discussion in the forum that some members were neither informed nor did they have sufficient data about events in Kosovo. The idea, then, was to hear testimony from a number of people who are not formal representatives of the authorities, but intellectuals, the most articulate people from all possible communities, ethnic, religious, and other, who live in Kosovo. The participation of forum members would consist of putting questions to those people. We would thereby not only be helping ourselves in some future decisionmaking, but the public as well. The forum has not been concerned with all the aspects which are relevant at the present time, nor with what you allude to as demographic movements, but those are all things which are still in the proposal stage. First, one can speak about the drive for large-scale return of Serbs and Montenegrins to Kosovo and a possible action of resettlement in order to restore ethnic balance in that part of the country. As for human rights, if we set all the political factors aside, the forum has always taken the view that freedom of movement is unrestricted within the country, as is the freedom to live where you like. At this point, I do not see any signs of anything which could be called forcible settlement.

The other thing you are probably alluding to are the proposals for deporting a certain number of Albanians from the country. Here a distinction has to be made between two groups. One group, probably the larger one, are those who immigrated from Albania and who have acquired Yugoslav citizenship under the laws of this country. They are citizens of Yugoslavia just like anyone else. Yugoslavia, along with other civilized states, makes no distinction between citizens by birth and naturalized citizens. Under our positive legislation, a Yugoslav citizen may not be deprived of his nationality if he is in the country. It may be taken away from him only if he is outside the country, if he has taken the citizenship of some other country, and if in addition to that he has worked against the interests of Yugoslavia. Accordingly, if citizenship is to be taken away from any large number of people, the federal law will have to be amended. I have not heard of any initiative of that kind. At the same time, even if that law were amended, the people who lost their citizenship would become stateless persons, and again they would have to remain in Yugoslavia unless some other country accepted them voluntarily. Countries are required to accept only their own citizens, but not stateless persons.

The next category are those Albanians who fled to Yugoslavia and were recognized as refugees. According to the most reliable figures we have, they number around 700. They acquired that status on the basis of the 1951 Convention on the Status of Refugees, which has been

ratified in Eastern Europe only by Yugoslavia and which has been incorporated into our own Law on the Movement and Residence of Foreigners. This means that Yugoslavia also grants refugee status and temporary asylum to anyone who flees a country in which he is subject to persecution on the basis of racial, religious, political, or other grounds. Accordingly, when the competent authority at some time in the past granted those people refugee status, it did not give them the right to reside in the country continuously. In cooperation with the High Commissioner's Office for Refugees, the main effort is to find asylum for them in some other country, since Yugoslavia is among those countries whose standard of living is not high enough to be able to assimilate a large number of people.

If it turns out that there is no such country, then this person can be deported to the country of which he is a citizen, which is a strange way to go back to the beginning, since it was on the basis of persecution in the country from which he fled that this person was granted refugee status, and now he is to be deported there.

There are two things that could happen. Circumstances could change in the refugee's country so that the grounds for fleeing no longer exist. Take refugees from Romania, for example. Yugoslavia can now send them back in the view that they are no longer threatened by the danger which was the reason for their fleeing here. However, in Albania things have not changed. The supposition exists that among the Albanians in our country who came to Yugoslavia as refugees there are those who work for the Albanian Secret Service. Such people do not, of course, deserve to be refugees, and that status can be taken away from them. But they still come under the rule which applies to all people residing in Yugoslavia that from the standpoint of human rights proceedings must be conducted to prove this irrefutably. The forum has not managed to debate all these matters, since in the end it reacts to certain specific requests and definitive situations, not to numerous proposals.

[M.B.] The forum, then, does not set itself up as an arbiter by virtue of its function?

[Dimitrijevic] No, nor should it. Just think where that would take us, when you think what we are, what resources we have, if we were to react to every newspaper article, and there have even been some saying that all Albanians should be deported from Yugoslavia. We regard that as the opinion of the author, but if anything of the kind were to take the form of a legislative bill, then, as we have up to now, we would clearly state the position of the forum.

[M.B.] One gets the impression that if the present wishes, intentions, and even threats of individuals and groups related to the problems in Kosovo were to be realized in the form of legislation we would ignore the international conventions which we have signed.

[Dimitrijevic] It is an old rule that a state cannot defend itself from accountability under international law by



saying that its laws or constitution are different. We can amend the laws and constitution, but we will not thereby evade any international obligation.

The states which signed intergovernmental treaties with us could accuse us of violating them. And it is a long road to travel to first renounce all those treaties and then amend the laws and constitution. Incidentally, this is also unpopular. Taking away the citizenship of a large number of people in a country would from the political standpoint be a very unpopular measure at the international level. This was done in the Soviet Union, in that case on an individual basis (the case of Solzhenitsyn, for instance), and the USSR was much criticized for doing it. The Bulgarians had much the same experience when they saw that as a way of solving the problem of their Turkish minority. In any case, the trend in international relations is to reduce the number of stateless persons, since these people are in a very difficult position. I must also emphasize this—just because someone at one time signed an international treaty on behalf of Yugoslavia, and we no longer like that treaty, this does not mean that the treaty is not valid.

[M.B.] The forum favors dialogue with Kosovo and about Kosovo. How is that possible if the Kosovo political alternative is proclaimed a brain trust of separatism because of its monoethnic composition and because of its activity? Regardless of whether these

accusations are justified or not, does not this disqualify them in such a dialogue in advance?

[Dimitrijevic] So that we ourselves would not make judgments on this, we have decided to seek a solution in two ways. Representatives of the forum will take part in all serious and normal discussions about Kosovo regardless of who initiated them or who is conducting them. Depending on the outcome, we will evaluate the nature of those discussions. Second, the testimony presented to the forum which we have envisaged will not be testimony on behalf of any groups, nor is there any agreement within the forum itself concerning such groups. So, the discussion will be with an individual, and his testimony will not be taken as the absolute truth. Beyond that, depending on our material capabilities, we intend to do a study in order to "verify" certain data and numbers used in connection with Kosovo. We feel, and this will be organized very soon, that a discussion should be conducted concerning the position of minorities in our country, that members of minorities ought not to harbor any unrealistic assumptions about what a minority can have in a state. After all, there are illusions among the minorities that they have the right to self-determination, and behind that there is the idea about a separate federal unit, which evokes resistance on the other side. It is a big problem that the question of minorities has been pretty much neglected in international forums.

## BULGARIA

**Doctors Discuss Psychological, Sexual Disorders in Army**

90BA0126A Sofia NARODNA ARMIYA in Bulgarian  
9 Apr 90 pp 1, 2

[Article by Officers Nikolov, Shalamanov, and Vrabchev: "The Truth: Accuracy Above All; The Barracks Are Not the Cause; Psychoprophylaxis on the Front Line; The Army Does Not Create Homosexuals"]

[Text] "Forbidden topics still hide in the corners of social doldrums, in spite of glasnost. One of these is the Army, Army life, and servicemen's problems."

This is the way Todor Bochev starts his article published in the Sunday, 23 March 1990 edition of the NARODNA MLADEZH-DIALOGUE daily. Of course, no one would try to prove by himself that there are no problems in the Army and that there never have been. But it seems that Todor Bochev has looked at these problems sideways. And it is known that when something is looked at sideways, then it more or less appears twisted and unreal. In the above mentioned article, the author deals very convincingly with numbers, the reliability of which seems quite doubtful to the reader, and especially the serviceman who is best acquainted with his own life.

We do not know where the author got the quoted data, but to explain the situation with these and pose other questions related to the servicemen's moral and psychological situation, we have talked to psychiatrists, psychoneurologists, and sexologists of the Military Medical Academy: Officers Nikolov, Shalamanov, and Vrabchev. Our host was Officer Stefanov from the MHO [Ministry of National Defense].

**Officer Nikolov: "The Barracks Are Not the Cause"**

There are some facts and figures regarding psychiatric and physical disorders among servicemen mentioned in the article by T. Bochev published in Dialogue. Reliable data on these issues cannot be obtained from anywhere other than the clinic or the polyclinic office. No one has come to me or to Dr. Shalamanov, and such information has not been given out. It is as clear as day that the psychiatric office of N. city mentioned in the article is the one of VMA [Military Medical Academy]-Sofia. It is true that the number of beds in the clinic have been increased from 18 to 56, and not from 25 to 60. But this was a process which took place over 15 years and not because of overcrowding in the last few years as stated. The fact that 20 or so of the patients every month, for example, are service employees or civilians must be pointed out. That is, 15 to 20 of the beds are occupied by civilians.

Depression is increasing all over the world, as well as suicide, reactive conditions, and neuroses. In the Army this is a contingent which must be treated; a person cannot be allowed to participate in operations in a semidepressed state for example, because he carries a

weapon in his hand. So the more beds there are, the more facilities, the better it is for the patients, and the Army, and society as a whole.

I feel that what has been published in DIALOGUE does not correspond to the truth. It is not true that 34 percent have neurosexual disorders. According to my studies, they are not more than 6 to 7 percent. Regarding suicide, it turns out that 4.5 percent of all who take their own life, commit suicide because of sex problems. This percentage is lower than in the civilian population, not only in our country, but also in the developed countries.

This year, out of a total of 612 mental patients (not 1000 as stated in DIALOGUE) for all Armed Forces of the NRB [Bulgarian People's Republic] (and not just the Army) there are 35 cases of schizophrenia, 55 cases of cyclophrenia, 110 cases of neuroses, 49 cases of reactive depression, and 168 cases of personality disorder (psychopaths with low intelligence level). Of these, 83 are civilians, 85 from the construction troops, 20 of the transpiration troops, nine not yet admitted to the service, six are service employees, and five are reservists.

The percentage of schizophrenia and cyclophrenia remain within the past standards: from 6 to 10 percent of all psychiatric diseases, including neurosis, for civilians as well as military. But we must note that schizophrenia and cyclophrenia are congenital diseases in about 90 percent of the cases. And one more thing that should not be left out: Young men enter the service at the age between 18 and 20. This is the optimal and most critical age for schizophrenia manifestation. Here the cause is not only the Army's psychogenic environment, but primarily human biological structure. It is impossible to say that the military is the main cause of the disease.

Regarding the question whether there is an increase of reactive depression and suicide attempts, the answer is positive. Yes, they are on the increase. But let us look at things in general. Reactive depression and neuroses are increasing all over the world.... So that the increase in the Army is parallel to what is happening on the outside. If we take alcoholism as an example, we will see that drunks are not created in the Army. They come in that way. Existing studies show that 35 percent of the conscripts enter the military with alcohol consumption significantly greater than usual, and this percentage is reduced to 15 percent during the service period.

The relation between the aforementioned diseases and the conditions of Army life is measured primarily by the adaptation to this life. Everyone knows that young men are not prepared for it. Military service is a closed system which has its specific tasks and one of its traumatizing elements is the need for strong military discipline. This is the same for all armies. For example, in the United States VVS [Air Force] the number of suicides is much greater than that among the civilian population. Here the number of suicides are like those in the FRG [Federal Republic of Germany], that is, they are at the same level as for civilians with a tendency to decrease. The offices

for psychoprophylaxis which we have established in our country are doing a very good job in this respect. But they alone, in any case, are not enough. For 20 years now we have been planning for specialized neurological, psychiatric, and sexological care in the divisions and disciplinary units.

**Officer Shalamanov: "Psychoprophylaxis in the Front Line"**

There is the so-called psychologic team in the American Army which consists of 28 people. As compared to other Warsaw pact countries, we are more advanced, which, of course, does not reassure us. The ideal is to take psychiatric help closer and closer to the front line: to the formations and divisions. This process was initiated 15 years ago. The psychoprophylaxis groups conduct examinations and study the characteristics present before conscription.... This is the basis on which the rest of the medical knowledge about a person is built. The biggest problem, however, remains the young soldiers' adaptation to the conditions of life and service in the Army. The purpose of psychoprophylaxis is not to create an environment like a mineral bath sanatorium in the barracks, but to help the boys of the high risk group become real soldiers and men.

In addition to a group working part time in Army divisions, there are two psychiatrists who work in the general psychoprophylaxis office. They, however, are insufficient. There should be specialization, say, according to sexual, neurotic, and psychiatric services. A psychologist is also needed. For this purpose, however, the office must have modern equipment. It is one thing to question the patient, another to test him.

According to my studies, over the last five years, a certain delay is noted with personality growth. There are many reasons of a different nature. One of them is parents' attitude toward their children. I remember a case where a father brought his son's girlfriend every Saturday and Sunday from Sofia to Gotse Delchev, where he was stationed. One Saturday before New Year's Eve, he did not bring her and the soldier attempted to shoot himself. I would like to say that there is acceleration, but there are no good work habits, and the good strong psychological qualities which in fact build a person's character are absent. So because of this, manifestations of maladaptation are increasing.

It must be taken into consideration how our young men are brought up before they enter the army. From nursery school to the 11th grade the boys see in front of them only women: female caretakers, female teachers.... The male model for behavior is absent. The young man cannot even learn from his father because he is almost always busy and is often away from home. Then, all of a sudden, he enters the military where he is confronted face to face with responsibility. Responsibility for himself, as well as for others. Something, which he is not used to at all. That is, the military takes all the burden to

build in young men over two years something which was missed. To make him a soldier, a leader, and a person....

The issue on perversions is very acute and our attention is constantly directed to it. We work to deal with them, but commanders do not always give us the necessary and continuous preventive help. Many perversions are of the so-called boarding house syndrome. In the psychiatric clinic at VMA there are about 30 people and four to five of them have been mistreated. Commanders and trainers must be psychologists, and professional ones at that. Conferences on psychoprophylaxis are conducted periodically in corresponding Army units. I think, that the greatest achievement of psychoprophylaxis is that it has turned the commanding staff's attention to problems with the individual's psychological condition.

Here again we see the problem with the quality of the commander. Where he is an individual, where there is order and humane treatment, there are no damages. For this reason it is necessary to reorganize psychoprophylaxis instruction at BNA [Bulgarian People's Army] according to the new requirements. At the military academies (at the time of admission) there are already functioning laboratories on psychoprophylaxis and this is a special kind of "filter" for the selection of candidates.

**Officer Vrabchev: "The Army Does Not Create Homosexuals"**

They come that way from outside. These are pathological personality changes, frequently genetically determined. We, however, must prevent the development and increase of this phenomenon. For this reason these people pass through several filters. The first one is the selection commission, where there is strict expert evaluation. But it is not possible to discover everyone of them there. Homosexuality which is congenital and manifests itself early, at least according to world medicine, is impossible to treat. The question also deals with the fact that a person can be a homosexual without having had sexual acts. And here is the main difficulty.

Of the homosexuals, only those who are obviously homosexuals are known, that is, only those who have been structured so biologically. The others are very difficult to detect. Those who are discovered either do not serve or we designate them as partially fit for duty. The coin has a flip side, however. Frequently some young men present themselves as homosexuals, psychopaths, etc., to avoid military service.

It is absolutely untrue that 34 percent of all servicemen have neurosexual disorders. In the first place, because such study simply does not exist. And in the second place, servicemen are not of a single uniform category. Everyone has some neurosexual disorders. Our office does not see any more patients than the offices of civilian hospitals.

The materials for this section were prepared for the press by:

Major GEORFI VUCHEV, Captain KRASIMIR GEORGIEV, and Captain PLAMEN GRIGOROV of the Engineer Corps

## CZECHOSLOVAKIA

### New Law on Agricultural Cooperatives Passes Assembly

90CH0149A Prague ZEMEDLSKE NOVINY  
in Czech 4 May 90 pp 1, 2

[Interview with Z. Filipova, LLD, Department of Legislation and Law at the Federal Ministry of Agriculture and Food, by Katerina Sladkova; place and date not given: "End to Legal Insecurity"]

[Text] The complex process through which the draft of the law on agricultural cooperatives had to pass ended yesterday when the Federal Assembly approved the law.

Immediately upon her return from the parliament, Doctor of Law Z. Filipova, an expert of the department of legislation and law at the Federal Ministry of Agriculture and Food, provided us with basic information.

[Sladkova] When will the new law be in force, and what obligations follow from it for the cooperatives?

[Filipova] The introduction of the law on agricultural cooperatives is set for 15 May of this year. On that date all regulations of the statutes and other internal cooperative by-laws which contradict this new law will be rescinded. The cooperatives must prepare drafts of their new statutes and other internal cooperative regulations by 31 March 1991. From the formal standpoint, it is important that the word "unified" has been dropped from the title of our cooperatives, and thus, as of 15 May 1990 we shall have agricultural cooperatives.

[Sladkova] How has the law changed the position, operation and function of cooperatives and their management?

[Filipova] The new law defines agricultural cooperatives as voluntary associations of members who have joined forces in order to engage in agricultural, food-producing and other business ventures and who thereby help satisfy the needs and interests of their members; they are legal subjects in the sense of the law. Although the law does not state explicitly that they may engage in foreign trade, agricultural cooperatives derive that right from the law on economic relations with foreign countries and from the law on enterprises with foreign partnership. The establishment of cooperatives no longer depends on permits from the agencies of economic administration. As before, a cooperative may be dissolved if the members terminate their participation in it, [part of sentence missing, as published] namely, by contributing cash deposits or other property. Consequently, a member will be directly interested in the achievements of the cooperative because he will receive a certain share of its profits.

[Sladkova] Are there any changes in the status of the members of a cooperative and in their labor-law relations?

[Filipova] The law or the statutes of cooperatives will specify the conditions for membership. For instance, the law enables a legal subject to join the cooperative even if he or she will not work in the cooperative. Thus, even a minor who has inherited the right of ownership of unified land may join the cooperative as a member. The actual labor-legal relations between the cooperative and its individual members will be governed by the law on agricultural cooperatives, the labor code and its operational instructions. If the statutes or other internal cooperative regulations do not stipulate a particular issue, then the labor code applies. In other words, if the cooperative intends to depart from the amendment stipulated by the labor code, it may do so within its own statutes or cooperative labor regulations.

[Sladkova] There must be some changes in the right of use by cooperatives. How has the status of the owner changed in relation to the user?

[Filipova] In the future, a cooperative will need the owner's consent concerning essential operations related to unified lands. With regards to residential housing construction on unified lands, the obligation was stipulated that the cooperative purchase the lot from its owner. Otherwise, the concept of land unification is articulated in such a way that the cooperative itself may determine the extent to which its members may merge their lands. An entirely new aspect is the specification of the extent of land which must not be unified. Therefore, gardens owned by the members of a cooperative do not need to be unified; the already unified gardens will be returned to members. Considerably strengthened will be the ownership rights of non-members of the cooperative whose [part of the sentence missing, as published] without liquidation. An entirely new aspect is the possibility to divide the cooperative even if such a proposal comes from a minority of members. However, there is a stipulation that such a division must be in the interest of those members who intend to organize a new agricultural cooperative.

Fundamental changes affect also the management of the cooperative. Its management system consists of the membership meeting as the highest authority, the executive council, in other words, the executive authority, and the audit commission. The cooperative itself will stipulate in its statutes whether its statutory authority is the chairman or its executive council, and whether the chairman will be elected by the membership meeting or whether the executive council will appoint him from among its members. A detailed amendment, which will be included in the statutes, concerns the management of the cooperative, its composition, the term of its office, which may be less than five years, the method of its election, and a further determination of persons who will organize and conduct regular operations of the cooperative. According to the new law, the presence of the absolute majority of the membership and the approval of the absolute majority of those present will be required for decisionmaking. This principle applies also for elections of the management. However, an absolute majority

of all members must vote to approve the statutes, their amendment, and the termination of a cooperative; an exception is the division of the cooperative based on demands of the minority.

[Sladkova] As I understand it, the statutes of cooperatives have acquired a new legal quality.

[Filipova] In fact, the statutes are the most important internal cooperative regulations. For that reason, the new law focuses particular attention on them by specifying their essential contents, which is also one of the preconditions for legal subjectivity of the cooperative. The statutes and their changes will be entered in the enterprise register. An example of the consolidation of relations between the membership and the cooperative is the facilitated property [part of the sentence missing, as published] lands in cooperative use. If the owner so demands, the cooperative must return to him his lands, especially for farming purposes. Wherever objective reasons prevent that, for instance, because there are buildings on that particular plot, the cooperative must offer another appropriate plot in exchange. If none is available, it must reach an agreement with the owner on its temporary use of his land for a fee. Moreover, the cooperative may offer the owner another land for his temporary use, but the owner is not obligated to accept its offer. If an agreement on temporary use is concluded, the right of use by the cooperative is terminated; conditions for use will be determined by agreements concluded pursuant to the civil code. The law does not adopt previous regulations on private plots because those stipulations may be fully replaced by agreements on temporary use.

[Sladkova] The new law on agricultural cooperatives contains many other regulations which cannot be discussed here due to our limited space. Therefore, we expect to return to them in the future and to publish the full text of the law.

## GERMAN DEMOCRATIC REPUBLIC

### Western Competition Driving Rapid Collapse of Agriculture

90GE0100A Hamburg DIE ZEIT in German 4 May 90  
pp 25-27

[Article by Peter Christ and Fritz Vorholz: "The Crisis Came Quickly—Competitors From the West Roll Over the GDR Agrarian Economy"]

[Text] The customer is vexed: "In the West this junk costs a mark and they make us pay four times that much." With that she stacks three bars of Sarotti chocolate at M 4 apiece into her shopping cart and heads for the checkout of the Centrum department store at East Berlin's Alexanderplatz.

A few days earlier, the long-established chocolate and candy manufacturer Elbflorenz had ceased production,

which meant the loss of roughly 300 jobs. On Thursday of last week agricultural workers, worried about their future, were demonstrating in front of the Palace of the Republic, while inside the People's Chamber was in session. In Thuringia, farmers plagued by economic fears were blocking border crossings to Bavaria during the weekend. In Cottbus Bezirk, 1200 farmers lined up with about 450 tractors, combines, and trucks forming a protest procession 50 km long on highway 87.

Protests even in the West: In the course of last week, 100,000 farmers took to the streets here to vent their rage against the impending price resolutions by the EC. The policy of a "rigorous downward pressure on prices," says the president of the farmers' union, Baron Constantin Heereman, "drives more and more European farmers to their ruin."

In the case of the angry Western farmers the 12 European agricultural ministers showed some consideration. To be sure, they lowered grain prices by three percent, but Bonn Minister of Agriculture Ignaz Kiechle at the taxpayers' expense was able to accomplish that the effects of the price reduction were offset almost completely. And he made a stand for having the stabilizer ruling which results in automatic price reductions in case of a certain crop volume reviewed. A good two years ago this very mechanism was still extolled as a milestone on the way to recovery of EC finances. Yet the Bonn minister knows that he must fight for votes for the union—and 1990 is an election year.

With an economically absurd policy and subsidies in excess of M 20 billion, Brussels, Bonn, and the federal laender protect the West German farmers—with questionable success. Yet the old SED [Socialist Unity Party of Germany] regime expended even more on agriculture. Almost M 32 billion, just short of 12 percent of the national budget, flowed into the agricultural sector. This enabled the Agricultural Producer Cooperatives (LPG), which are protected the same as the Western family operations, to live reasonably well until now. But with the border openings and the elimination of the state trade monopoly the giant LPG's are suddenly subjected to the competition of small Western operations. It now becomes evident that the Eastern agrarian policy was even less successful than its Western counterpart. According to estimates in the Bonn agricultural department approximately half of the 870,000 people employed in GDR agriculture are expendable: "The GDR operations are beyond salvation unless they dismiss the people."

The Eastern farmers' desperation is well founded, Bonn is willing to admit. In Wittstock, northwest of Berlin, in front of ZDF [second program] television cameras the chairman of an LPG has a worker dash young pigs on the cement floor with blood squirting about for all to see. No more than a few kilometers away the dairy cooperative is practically incapable of dealing with the volumes of milk it received. At the Crop Production LPG, also in Wittstock, 800 ton mountains of potatoes which should



have been sold long ago are accumulating. In nearby Blesendorf the stables hold fattened oxen and hogs that are much too fat already because the slaughterhouses did not pick them up on time.

Agriculture and the food processing industry in the GDR are on the brink of chaos. Agricultural workers, farmers, LPG's, and dairies fear for their existence, cold storage depots are filled to capacity with pork, ice producers are closing up, and food manufacturers face imminent bankruptcy.

The crisis came suddenly and strikes totally unprepared an economic sector of the GDR that was previously thought to be relatively stable. At any rate, the GDR's agrarian sector has had more success in achieving the politically given objective, namely to secure the population's maintenance, than many another economic sector of the smaller German state.

However, even strictly economically speaking the policy of the agricultural factories overshot its mark by far:

- As a result of intensive cultivation and monocultures soils are leached. Compensation for yield reductions was attempted with excessive fertilization and sludge. Now the soil is contaminated with heavy metals, and the products are inferior.
- The strict separation of crop and animal production affected the quality of fodder, resulted in a tremendous transport expenditure and brought many a GDR region a nasty liquid manure problem.
- But most of all GDR agriculture, like the industrial sector, suffers from an enormous lack of capital. Machinery and buildings are outdated and in insufficient supply—the main reason why major GDR operations are inferior to small Western competitors.

Now the long-awaited opening of the borders brutally exposes the weaknesses of the GDR's agrarian sector. Starting with a trickle at first, but for some weeks now virtually uncontrolled and unrestrained, food and luxuries of Western, primarily FRG origin are thrust upon the shelves of small department stores and HO [trade organization] stores; produce stands, refreshment stands and snack carts from capitalist foreign parts are spreading out over the GDR and displace domestic products and producers.

Quite typical is what the largest East Berlin department store Centrum has to offer in the way of Western goods: A full line is available of Tiffany yogurt from Bochum, dairy cream brand Rote Kuh from Fulda, cheese from Holland and Schleswig-Holstein, tomatoes from Holland, Sarotti chocolate and Toffifee confectioneries, cakes from West Berlin and Denmark, sausages made by Hertha, and Coca-Cola.

Foreign merchandise has garnered the choice spaces in the shelves, the refrigerated displays with ice cream from the West, the baskets with Sarotti chocolates and the

Coca-Cola pyramids are restricting the aisles. GDR products, carelessly packaged, lie neglected on the fringes of the displays.

Many customers are by no means deterred by the prices, horrendous by GDR standards and all in East marks. They are buying fruit yogurt for M 4 per container, pay M 14.50 for 1 liter of ice cream and M 3.75 for 100 grams of cheese. Local products frequently cost only one-third or one-fourth, bread even less than the Western loaves. Carla Kniested, the store's spokeswoman, has this explanation for her compatriots' enthusiasm for buying: "Anyone who for years watched Michael Jackson skipping across the stage on television while singing 'Coca-Cola is it' naturally wants to buy the stuff; it represents the big, wide world to them."

Yet the ones who have to pay for these consumer privileges are the LPG's, the food producers in the GDR and their employees. The difficulties encountered by operations in Wittstock and surrounding areas are typical.

The dairy cooperative in the kreis city processes annually 40,000 metric tons of raw milk from the region's LPG's and 50,000 metric tons of cream and skim milk from neighboring dairies. It uses these to make butter, various kinds of cheese and powdered milk, and delivers these products to retailers and to food producers, some of it is destined for export. Marketing problems did not exist until now. But food producers have now canceled orders for 700 metric tons of milk powder, among them the chocolate producer Elbflorenz of Dresden who buckled under when confronted with the Western competition. Other operations have shut down their ice production and purchases from dairies.

The cheese dairy in Blumental, a branch operation of the dairy cooperative, had to cut its production by two-thirds. Other dairies deliver their cream to Wittstock because they themselves are unable to find buyers any longer. The Wittstock people process it into butter and have no choice but to put it in cold storage. The cold-storage plants make it a condition, though, that Wittstock takes the butter back after six months at the latest if no buyer is found. Dairy director Leopold Hellberg sums up: "This only means that our ruin is delayed."

#### "Green Border" Demanded

The dairy's problems are gradually affecting the LPG in nearby Blesendorf, where 250 cows are standing in the stables. The LPG must now acquire and feed double the amount of skim milk from the dairy. "By no means is this economical," is LPG chairwoman Christa Soeffing's assessment of the situation.

She is even more concerned about hog- and bull-fattening operations. About 300 of the 1,200 hogs have clearly exceeded the planned slaughter weight of 118 kilogram. But she cannot get rid of these any easier than [another] 65 bulls, which are long overdue for the



slaughterhouse. She has takers for only 18 bulls this month. "After that, I don't know" says Mrs. Soeffing. The cost of fodder has increased by one-third already because of the stagnant market.

The difficulties have hit her son who heads the LPG Animal Production in Freienstein and supplies bull calves to his mother's LPG, and also the LPG in Wittstock, which sells young pigs there. This LPG in Wittstock is crowded with about 12,500 piglets, 3000 more than planned because the entire marketing chain is disrupted. This also explains the graphic, brutal killing of piglets in front of television cameras, which did not fail to outrage farmers in the GDR. The manager of the LPG was at his wit's end.

The animal producers' sales concerns and the imports from the West also affect those LPGs in the GDR that raise crops. Manfred Knaut, chairman of the LPG Crop Production in Wittstock and chairman of the farmers' union in the kreis, complains that the animal producers now buy but 70 percent of the originally planned amount of potatoes, which are a comparatively costly fodder. His customers are waiting for the opening of the borders for feedstock as well and the subsequent reduction of prices.

Without government aid and without protection against the overpowering Western competition, the GDR's agricultural sector and food industry cannot escape from their threatening situation.

Agricultural Minister Peter Pollack has already presented a bill to the cabinet in which he proposes to strongly curb the uncontrolled food imports. He requests a "green border" against the competitors from the EC. When Pollack meets with his Bonn colleague next week the main issue will be—and Kiechle has already signaled his agreement in principle: "For a transition period, it is necessary to continue to utilize the previous possibilities of checking the flow of merchandise." In plain language: Border controls are to be stepped up once again.

#### **Painful Reorganization**

To be sure, the Bonn agricultural department is also considering alternative short-term aids for GDR agriculture. For example, Kiechle is trying to increase the EC-allowed GDR shipments into the FRG. Some of the pressure might be taken away from GDR producers if, for example, Western dairies would commit themselves to produce yogurt that is later exported to the East with GDR milk exclusively. Since the Eastern slaughterhouses are hopelessly outdated—only two new ones were built after the war—Bonn is also considering a type of wage upgrading for GDR products. East hogs would then be processed in modern Western slaughterhouses for subsequent exportation into third countries. To keep everything as cheap as possible, payment shall be in kind: with hog innards.

Of course, all of these are merely remedies that can somewhat ease the critical emergency. Because before long, probably with the implementation of the monetary

union, the Eastern planned economy in GDR operations will be replaced by the Brussels planned agrarian economy. Then the EC producer prices will apply, and they are much lower compared to today's GDR prices. The price level will drop—and at the same time expenses will rise because expensive equipment has to be acquired and new stables must be built.

However, even with the impending painful reorganization of GDR agriculture Bonn promises generous support with capital expenditure and liquidity assistance, with bonuses for leaving acreage lay idle and for early retirement. An official in Kiechle's department: "Somehow we have to bring them into the next millennium so that they can enter the competition."

This might well happen faster than Bonn would like. For among experts there is no doubt that the LPG's, because of their size, actually possess the better production capabilities than the small operations over here. "It is not hard to imagine," states Peter Hrubesch, agricultural expert at the German Institute for Economic Research (DIW) in Berlin (West), "that these production reserves can be realized rapidly through improved management and more capital, with different crop rotations and higher-yield varieties." If this forecast is correct the losers in this adaptation process would be the EC till, the small operations here—and once again the environment.

### **POLAND**

#### **Statistical Report on 1990 First Quarter Economic Situation**

90EP0520A Warsaw RZECZPOSPOLITA  
(STATYSTYKA POLSKI supplement) in Polish No 5,  
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["Report on the Economic Situation in the First Quarter of 1990"—prepared by the Central Office of Statistics]

[Text] In the first quarter of this year, the economic situation developed under the influence of profound restrictions on demand. The drop in demand was greater than that in supply, which brought about the establishment of a global equilibrium in the economy. The role of material factors which in the past restricted production diminished as global equilibrium was secured, whereas the role of currency and its circulation increased.

The situation of the central budget was favorable, despite temporary indebtedness to the PKO [General Savings Bank] State Bank. The cash resources of the populace and enterprises increased at a considerably lower rate than prices. The increment of indebtedness of economic units and the populace to the banks was likewise lower than the growth of prices.

Following sharp rises in prices, commissions, and interest rates early in the year, the extent of their growth was considerably restricted in the subsequent months. Equilibrium in the currency market also persisted, and

the exchange rate of the dollar was stable. In foreign trade, high positive trade balances were registered in both payments zones, mainly due to declines in imports entailed by smaller needs of production.

The decline in the purchasing power of the monetary funds of the populace caused considerable restrictions on the demand of households and a change in its structure. In turn, given the high cost of credit, this caused reductions in orders from retail trade. As a result, despite the more vigorous use of forms of sales other than through retail outlets, the stocks of finished products held by producers increased.

Payments due to enterprises which were in arrears mounted, and difficulties with financing current operations became more pronounced.

A recession in material production occurred which was greater in the socialized sector and smaller in the private

sector. Industrial production declined considerably, its level being approximately the same in consecutive months. The output of construction declined to a lesser degree. The results of the census of farm animals indicate that interest in animal husbandry declined whereas herds remained at a level similar to that in the fourth quarter of last year. Employment continued to decline but at a rate considerably slower than production. The number of the unemployed increased during the quarter.

The number of business days in March was the same as last year, and in the January-March period there was one more business day.

### Cash Funds and Credit

According to the preliminary information of the National Bank of Poland, the cash stock of the enterprises and the populace evolved as follows:

Rubric	31 March 1990				
	Amount	Increment (-decline)			
		31 December 1989	28 February 1990	31 December 1989=100	28 February 1990=100
		trillion zlotys			
Total cash funds	110.8	15.9	7.8	116.7	107.5
Zloty funds	54.1	27.7	8.8	205.1	119.2
cash supply (without the cash of banks)	19.0	9.1	4.3	192.4	128.9
funds of the populace	17.6	8.7	3.8	197.8	127.9
funds of enterprises	1.4	0.4	0.5	140.0	155.6
in bank accounts	35.1	18.6	4.5	212.8	114.5
savings deposits of the populace	16.3	7.6	2.7	188.5	119.9
enterprise funds	18.8	11.0	1.8	239.5	110.6
Hard-currency funds in bank accounts	56.7	- 11.8	- 1.0	82.7	98.3
savings deposits of the populace	46.9	1.1	0.4	102.4	100.9
enterprise funds	9.8	- 12.9	- 1.4	43.2	87.5

The debt of economic units and the populace to the banks amounted to 43.9 trillion zlotys by the end of March and was 13.2 billion zlotys (40 percent) higher than at the end of December 1989 (in January, the debt dropped by 0.6 trillion zlotys, in February it increased by 10.7 trillion zlotys, and in March by 3.1 trillion zlotys).

### Enterprise Finance

The following temporary phenomena affected the financial results of socialized enterprises (without state farms and agricultural producer cooperatives):

- relatively low costs associated with the use of materials purchased last year, with sale prices already being high this year,
- failure to reflect full interest on loans in the cost; some of it will be figured in only by the end of the quarter,

—excessively low dividend levels due to failure to complete the revaluation of assets.

The costs will be "made realistic" as late as April and May. With this in mind, we should note the following in the January through February period:

1. The dropping share of costs and the continuing high excess of profits over extraordinary losses which was reflected in high rates of growth of financial accumulation in the entirety of operations (increase by almost a factor of 16 compared to the same period of last year with the growth of sales by a factor of 10). The ratio of negative to positive accumulation amounted to 12 percent whereas in the same period of last year—to 28.1 percent. The share of accumulation in sales amounted to 28.7 percent compared to 18.1 percent last year.
2. The dropping share of the turnover tax in both sales and financial accumulation as a result of changes in the structure of sales (a decline occurred in the share of sales

of heavily taxed products; e.g, the sale of alcohol industry products dropped by 50 percent); despite the basic rate of the turnover tax increasing from 15 percent in 1989 to 20 percent this year, a decline in the share of the turnover tax in sales was registered from 8.4 percent last year to 5.1 percent, as well as in its share in accumulation from 46.6 percent to 18 percent.

3. A pronounced drop in the ratio of subsidies to both accumulation (from 55.1 percent last year to 19.3 percent) and financial performance (from 54.4 percent to 20.1 percent); this is a reflection of reductions in the budgetary expenditures subsidizing economic operations due to, among other things, reducing the list of goods sold at official prices. The coal and dairy industries, communal economy, and housing management continue to operate at a loss, as well as culture, arts, and health care (sanatoriums).

4. An increase in the number of enterprises registering losses, mainly in services to agriculture and in the sphere outside material production (at the end of February, 3,430 enterprises reporting losses were registered, or 19.8 percent of all enterprises, compared to 9.6 percent in February 1989). Compared to the same period of last year, the share of enterprises turning a profit dropped from 82.4 percent to 75.2 percent.

5. An increase in the share of the profit tax in financial performance (from 32.7 percent last year to 39.4 percent) which was caused by reductions in concessions and systemic exemptions granted. As a result of it, despite the growth of profitability from 22.1 percent to 36.1 percent, the profit margin of sales increased only from 12.3 percent to 14 percent.

The stocks of finished goods increased markedly due to difficulties with the sale of output (among others, this was the case in the coal and fuel industry, ferrous metallurgy, and chemical and paper industries). The cost of stocks (without unfinished merchandise and products of construction) amounted to 76.8 trillion zlotys on 28 February 1990, and compared to the status on 1 January of this year was 33.9 trillion zlotys, or 79.0 percent, higher. The statistics of increments of the individual types of stocks were as follows: materials—81.1 percent, finished products—168.9 percent, merchandise—50.2 percent, and unfinished products—103.5 percent.

The debt of enterprises due to revolving credit amounted to 22.9 trillion zlotys at the end of February, and increased by 25.5 percent compared to the state on 1 January of this year. Accounts payable increased during this period of time by 35.5 billion zlotys (by 57.4 percent) and came to 97.3 trillion zlotys. Obligations with regard to current operations by virtue of deliveries, work, and services amounted to 66.1 trillion; they increased by 38.9 percent compared to the status on 1 January of this year. The ratio of obligations to accounts payable as of the end of February amounted to 67.9 percent, thus remaining at the level attained by the end of January of this year (67.6 percent). This ratio amounted to 57.4 percent at the end of the first quarter last year.

#### Monetary Income of the Populace

According to NBP data for 18 April of this year, the amount and rates of growth of the monetary income of the populace and the private sector obtained from the socialized economy were as follows:

Rubric	1990					
	March			1st quarter		
	trillion zlotys	March 1989=100	February 1990=100	trillion zlotys	1st quarter 1989=100	4th quarter 1989=100
Total income	23.0	806.1	118.6	60.9	840.5	175.4
wages	9.2	677.3	118.7	23.9	726.5	175.3
welfare benefits	5.5	1,485.2	157.1	11.8	1,231.9	189.4
indemnities, interest on deposits, and other transfers	0.9	580.2	59.9	4.3	921.2	421.6
loans extended	0.9	726.3	201.5	1.7	599.9	104.3
proceeds from the sale of agricultural products	1.6	629.1	90.9	5.0	639.3	99.2
proceeds of the non-agricultural non-socialized sector	2.9	837.9	128.6	7.4	829.1	165.2
other proceeds	2.0	767.4	94.4	6.8	1,207.1	245.1

Compared to the fourth quarter of last year, in the first quarter of this year the nominal monetary income of the populace increased by 75.4 percent. However, due to the high growth of prices (by 148.3 percent) the purchasing power of this income declined by 29.4 percent (including wages for work in the socialized sector by 29.4 percent and welfare benefits by 23.7 percent). The purchasing power of the proceeds of the populace developed in very different ways in consecutive months—from a sharp decline in January to growth in March. This is shown by the following comparison:

Rubric	1990		
	January	February	March
	previous month=100		
<b>Nominal Incomes</b>			
Total	136.3	104.4	118.6
out of which:			
remunerations for work	124.5	111.3	118.7
social benefits	104.8	123.3	157.1
proceeds of non-socialized non-agricultural economy	123.5	97.8	128.6

Rubric	1990		
	January	February	March
<b>Price Indices</b>			
Retail prices for consumer goods and services	178.6	123.9	104.7
<b>Real Incomes</b>			
Total	76.3	84.3	113.3
out of which:			
remunerations for work	69.7	89.8	113.4
social benefits	58.7	99.5	150.0
proceeds of non-socialized non-agricultural economy	69.1	78.9	122.8

The average monthly wage in the first quarter of this year in the five basic branches of the socialized sector amounted to 767,800 zlotys and was 309,700 zlotys, or 67.6 percent, higher compared to the fourth quarter of last year, whereas in the fourth quarter of last year they were 112.3 percent higher, with the rate of growth of prices being similar. Among other things, the reduction in the rate of growth of prices was due to the indexing coefficient for the growth of prices changing from 0.8 in the fourth quarter of last year to 0.3 in January and 0.2 in February and March of this year.

Average monthly wages in the five sectors of the socialized economy were as follows (including profit-sharing):

Rubric	1990				
	March	1st quarter	March	1st quarter	
	in 1,000 zlotys		March 1989=100	February 1990=100	1st quarter 1989=100
Total (basic sectors)	966.4	767.8	841.1	134.9	863.5
Industry	1,090.8	860.5	882.6	136.3	895.5
extractive	1,267.5	1,210.9	829.5	103.3	800.0
manufacturing	1,061.0	801.6	893.2	145.6	921.2
Construction	896.9	709.0	773.3	134.3	799.5
of which construction and assembly enterprises	863.9	683.3	808.2	134.3	823.1
Transportation	843.4	695.6	807.9	131.9	814.0
Communications	888.1	630.9	961.0	154.1	955.1
Trade	668.7	552.9	705.1	126.6	784.8

The considerably faster growth of average wages compared to the previous month in March (34.9 percent) compared to January and February (2.5 and 14.8 percent respectively) was largely due to high profit-sharing and bonus payments which per one employee amounted to 5,800 zlotys in January, 64,400 zlotys in February, and 252,500 zlotys in March. The average monthly wage without profit-sharing amounted to 713,900 zlotys in March, and increased by 9.5 percent compared to February.

The average retirement benefits and annuities were as follows:

	Thousand zlotys	
	March	first quarter
Total	639.5	437.2
Employee, derived, and war-veteran benefits	660.4	452.3
Annuities	757.4	501.8
Disability benefits	592.5	417.8
Family benefits	583.9	411.1
Individual-farmer benefits	560.1	379.2

In March, the payment of revalued current benefits (including increased family and attendance benefits) and compensatory payments for January and February of this year overlapped. As a result, the average March payment was 78.7 percent higher than in February.

Payments in the first quarter also include additional raises for the fourth quarter of last year in the amount of 120,000 zlotys which increases the average monthly payment in the first quarter by 40,000 zlotys.

Compared to the first quarter of last year, the average retirement benefit and annuity increased by a factor of more than 12, and compared to the fourth quarter of last year by a factor of more than 2.

The average employee, derived, and war-veteran retirement benefit and annuity in the first quarter of this year amounted to 58.9 percent of the average monthly wages in the five basic sectors of the socialized economy (in the first quarter of 1989—42.6 percent), and after subtracting the payments due to additional compensation for the fourth quarter of 1989—53.7 percent.

The payments of allowances and one-time benefits from the funds of social security (without sick pay coming from the funds of enterprises) amounted to 2,397.5 billion zlotys in the first quarter of this year; compared to the same period of last year, they increased by 1,219 percent, and compared to the fourth quarter of last year by 29.5 percent. The relatively low level of payment of family allowances, which amount to almost 82 percent of the total amount of allowances, influenced the movement of this statistic significantly.

### The State Budget

In the first quarter of this year, the revenue of the central budget amounted to 30.3 trillion zlotys whereas expenditures amounted to 28.1 trillion zlotys (including 2 trillion in loan payments and more than 1.1 trillion in interest on the loan). In the three months, the surplus of revenues over expenditures in the state budget came to 2.2 trillion zlotys.

In the January-February period, the revenue of the state budget came to 24.6 trillion zlotys (out of which a loan received from the PKO State Bank amounted to 2.0 trillion zlotys), and expenditures—to 23.0 trillion zlotys (including 0.7 trillion in interest payments on the loan). In the two months, revenue exceeded expenditures by 1.6 trillion zlotys, of which in the central budget by 3.8 trillion zlotys, whereas in the local budgets the revenue was 2.2 trillion zlotys lower than expenditures (the expenditures of local budgets amounted to 7.5 trillion zlotys and their revenues to 5.3 trillion zlotys).

The revenues and expenditures of the central budget in the January-February period are presented in the following table:

Rubric	1990		
	January-February	structure	progress of implementation of the law
	billion zlotys	percent	
Revenues of the central budget	19,579.0	100.0	12.3
out of which:			
from the enterprises of the socialized sector	13,993.9	71.5	11.8
out of which in taxes:			
profit tax	7,827.1	40.0	18.2
turnover tax	3,803.8	19.4	8.1
dividend	807.4	4.1	6.3
from financial and insurance institutions	2,867.3	14.6	28.2
Expenditures of the central budget	15,764.8	100.0	9.9
out of which:			
current expenditures of the budgetary sphere	5,801.0	36.8	6.8
subsidies for enterprises	4,244.9	26.9	17.6
including product-specific	3,136.5	19.9	17.3
for social security	2,491.3	15.8	11.2
subsidy for the Fund of Foreign Debt Servicing	1,123.0	7.1	15.9
Surplus (+) or deficit (-)	+ 1,633.4	x	x

### Prices, Interest Rates, and Currency Exchange Rates

In the first quarter of this year, the average level of prices was 2.5 to 3 times higher than in the fourth quarter of last year. This was due to the sharp price increase in January caused by, among other things, the unification and increase of the currency exchange rate, high interest rates on credit, and a considerable increase in prices for the main energy forms. As a result, the demand of the populace and the economic units was restricted considerably which facilitated price reductions in February and March.

In the subsequent months, the cost of bank credit dropped. The monthly rate of interest on refinancing credit was reduced from 36 percent in January, to 20 percent in February, and 10 percent in March. The rate of interest on loans extended to the populace and to enterprises (the creditworthiness of which is not in doubt) was reduced from 38 to 46 percent in January to 19 to 25 percent in February and 10 to 12 percent in March. At the same time, the rate of interest on certificates and savings accounts was changed. For example,

the PKO State Bank reduced the rate of interest on 36-month certificates of deposit from 38 percent in January to 21 percent in February and 10.5 percent in



March, and that on deposits payable on demand from respectively 7 to 5.5 and 3 percent.

Despite certain fluctuations, the free-market exchange rate of the US dollar remained at a level approximating the bank rate in the first quarter (which was set at 9,500 zlotys beginning in January compared to 6,500 zlotys at the end of December and 3,800 zlotys at the end of November of last year).

The rate of exchange of the transferable ruble was maintained since the beginning of the year at the unchanged level of 2,100 zlotys per transferable ruble whereas the price of the ruble at exchange offices declined from 750 to 1,000 zlotys at the end of January of this year to 600 to 730 zlotys at the end of March.

The following data reflect changes in prices in the first quarter of this year:

Rubric	1990				
	January	February	March	1st quarter	
	Previous month=100 percent			December 1989=100	1st quarter 1989=100
Prices for industrial output	209.8	110.3	99.5	230.2	1,420.8
Prices for construction and assembly output	148.9	120.8	112.3	202.0	1,063.9
Contract prices					
in exports	185.8	102.7	100.1	191.0	1,445.6
in imports	210.2	103.2	104.5	226.7	1,318.9
Retail prices of consumer goods and services	178.6	123.9	104.7	231.7	1,296.8
including					
foodstuffs	179.0	118.1	100.0	211.4	1,713.0
alcohol	141.0	126.8	101.5	181.6	1,148.1
non-food items	172.3	132.4	110.3	251.6	1,090.6
services	249.0	116.6	104.6	303.5	1,226.6

Compared to February, a small drop in the average level of sales prices for the output of socialized industry occurred in March of this year. Prices dropped in, among others, the following industries: the iron and steel, glass, and fodder and utilization industries. In some industries, prices increased. The greatest increase in prices occurred in March in the machine-building and transportation-vehicles industry (by about 10 percent). Prices in the chemical industry, ceramic whiteware industry, construction materials industry, and in light industry grew by about 2 to 3 percent on the average.

In February and March, prices for the output of construction and assembly grew faster than industry prices. This is due to, among other things, time lag for the results of the January jump in prices in other spheres of the economy (due to longer cycles of production).

In the first quarter of this year, currency prices in trade with the first payments zone were 4.0 percent higher in exports and 4.2 percent lower in imports than in the first quarter of last year. In trade with the second payments zone, currency prices declined in both exports (by 1.5 percent) and imports (2.0 percent). Terms of trade amounted to 108.6 and 100.5 respectively.

The jump in prices for consumer goods and services in January influenced the level of the price statistics in February. With the average growth of prices in February

being 23.9 percent, the influence of price changes made in January amounted to about 19 percent. In March, the growth of prices was sharply lower and amounted to 4.7 percent compared to February.

In March of this year, prices for foodstuffs in retail trade changed in different directions in individual weeks while remaining on the average at the February level. Following a small increase in prices in the first week (by 2.0 percent on the average), in the second and third week food prices declined negligibly (by 0.9 and 0.6 percent respectively) whereas in the fourth week they began to grow again (by 1.5 percent).

The average level of food prices at the end of March was 2 percent higher compared to their level in the fourth week of February (1.2 percent higher in socialized trade and 5.8 percent higher in private trade). Higher prices for fruits—by 21 percent, meat and processed meats—by 7.2 percent, and bread—by 11.4 percent affected the movement of the statistic in private trade.

In the first week of April, the growth of food prices accelerated. This was caused by, among other things, rises in official prices for milk and low-fat cottage cheese, the reduced supply of cattle for slaughter as demand for meat and meat products increased in the pre-holiday period, as well as a seasonal increase in the price of fruits.

It is estimated that in the first week of April the average level of food prices was 10.5 percent higher compared to the fourth week of March (10 percent in socialized trade and 12.6 percent in private trade). The highest increases occurred in prices for meat and processed meats (by 20 percent in socialized trade and by 26 percent in private trade), dairy products (by 25 percent), butter and other animal fats (by 12 and 14 percent respectively) and fruit (by about 20 percent). The decline in bread and sugar prices, under way for several weeks, continued.

Prices for alcoholic beverages year increased in March of this year by an average of 1.5 percent which was due to somewhat higher prices for wine and beer.

In the group of consumer services, prices for theater, concert, and variety show tickets increased the most in March of this year compared to February—by more than 22 percent, as well as cinema tickets—by 12 percent, mass transit fares—in the country as a whole by 19 percent on average, and excursions abroad—by 10 percent. On the other hand, prices for bank services were at a lower level.

In March, the statistic of prices for non-food goods was considerably higher than the average growth of prices for consumer goods and services. Prices for electric bulbs increased the most, almost by a factor of 2, as well as prices for medical and pharmaceutical supplies—by more than 75 percent. Prices for household chemical products were an average of 37 percent higher, and those for cosmetic products and fragrances, as well as stationery and drafting supplies—21 percent higher. In March, prices for some consumer durables also dropped. Gas ranges, automatic washers, refrigerators and freezers, vacuum cleaners, TV sets and audio systems, musical instruments, cameras, rugs and stair carpets became between 2 and 7 percent cheaper. Also, the passenger car FIAT 126p could be bought 11 percent cheaper compared to the previous month.

Compared to December of last year retail prices for consumer goods and services in March increased by a factor of more than 2 (those for services by a factor of more than 3) as a result of price changes which occurred in the first quarter. Prices for services in the socialized sector, including payments by the populace for electricity, gas, central heating and hot water, rents, and mass transit, railroad and bus fares, increased markedly—by about 230 percent.

#### Agriculture

Like last year, the winter of this year was marked by unseasonably warm weather and small amounts of precipitation. In the first quarter, the average air temperature was around 4 to 5°, and exceeded the norm by 5 to

6°. Total precipitation on most of the territory of the country ranged between 50 and 80 millimeters and was smaller than the long-range average. In some of the central and southern regions, total precipitation failed to reach 75 percent of the norm, and in places even 50 percent.

The spring evaluation of winter crops and winter damage suggests that in general the crops wintered very well. The area of winter crops is estimated to be 4.7 million hectares, or 0.1 million hectares (1.7 percent) more than last year. Due to the poor condition of the crops, 0.1 percent (5,600 hectares) of grains and 2.0 percent (11,400 hectares) of rape qualified for ploughing in by the end of March. Losses in potato storage in a majority of voivodships are estimated to be at last year's level.

Favorable agricultural and atmospheric conditions made it possible to embark on the first spring field work at the end of January. The supply of seed materials to the trade network is sufficient. However, the interest of farmers in purchasing seeds declined. By 28 March, 51,000 tons of approved seed materials were sold, or 67 percent less than a year ago. By 26 March, about 270,000 hectares of spring wheat were sown (6 percent more than last year), about 360,000 hectares of spring barley (28 percent more), and about 460,000 hectares of oats (10 percent more). In the second half of March, the planting of early varieties of potatoes and sugar beet sowing began in the southwestern and central parts of the country.

The condition of crops by the end of March of this year may be estimated to be good. However, the shortage of precipitation combined with higher temperatures of the air and spring winds caused the rapid depletion of current resources of moisture in the soil. This creates unfavorable conditions for the germination and sprouts of spring grains, and at the same time it may hamper the future regular development of plants.

In animal husbandry, the signs of diminishing interest in the development of breeding appeared as early as the last months of last year. This situation continues in the current year due to the deep decline in demand for farm goods (particularly of animal origin) and the relatively low growth of prices for them. The lack of motivation to increase the output of animal husbandry was reflected in the results of a quarterly census of the herd. At the end of the first quarter of this year, the herd of cattle was at the level of a year ago (in 1989, the annual increase of the herd amounted to: at the end of the first half of the year, 4 percent, in the third quarter, 3.2 percent, and in the fourth quarter 1.8 percent), and compared to the status as of the end of 1989, it was 1.4 percent smaller (usually,

a 1-percent increase in the herd is registered during this period of time). The number of hogs remained at its low level of a year ago, and of the fourth quarter of 1989 (by the end of last year, the annual decline of the herd was more pronounced than in previous quarters and

amounted to 7.4 percent); however, a marked decline in the number of sows occurred.

Compared to the years 1986 through 1989, the number of animals at the end of the first quarter of 1990 was as follows:

Rubric	1st quarter 1990				1st quarter 1989	average 1st quarter, 1986-88
	million	average 1st quarter, 1986-88=100	1st quarter 1989=100	4th quarter 1989=100	4th quarter 1988=100	average 4th quarter 1985-87=100
All cattle	10.1	95.7	100.0	98.6	100.4	100.9
cows	5.0	98.2	104.5	100.3	100.6	100.2
other	5.1	98.2	104.5	100.3	100.6	100.2
All hogs	18.8	97.2	100.3	100.4	92.8	99.6
piglets under 3 months	6.6	99.2	108.2	112.7	99.0	111.9
piglets from 3 to 6 months	5.6	99.9	99.0	99.3	92.5	93.7
brood sows	1.8	89.4	98.3	98.4	93.6	101.8
out of which pregnant sows	0.9	88.5	98.9	97.5	93.6	99.0
sows being fattened, fattened for bacon, and others	4.8	94.7	93.1	89.1	86.4	92.1

Prices for [slaughter] cattle and livestock for breeding increased in the first quarter of this year at a rate considerably lower than grain prices. The profit margin of breeding milk cattle deteriorated. The decline in the mating of sows at the insemination stations, present since November of last year, became more pronounced. This will result in a reduction by about 20 percent in the production of slaughter hogs in the fourth quarter of this year and the first quarter of 1991 (compared to the same periods of previous years).

In March of this year, the following were registered in animal husbandry:

- a decline in the free-market prices of grains, potatoes, and dry roughage whereas a seasonal increase used to be characteristic in the pre-spring period; this testifies to sufficient stocks of self-produced fodder compared to the actual size of the animal herd;
- growing prices for animals in free-market transactions;
- the continuing low level of sow mating (about 23 percent lower than a year ago);
- further growth of the ratio of procurement prices of slaughter hogs to that of slaughter cows from 1.8 in February to 1.9 in March, which reduces the relative profit margin of livestock breeding (the ratios of these prices were usually around 1.2)
- an unfavorable, excessively low ratio of procurement prices for milk and procurement prices for slaughter cows.

Free-market prices for grains increased in January of this year by about 111 percent; in February, they remained at their January level, and in March they declined by about 4.0 percent, and were 102 percent higher than in December of last year. On the average throughout the country, 1 dt [expansion unknown] of grain fetched about 75,000 zlotys in the free market, or slightly more (by 1.6 percent) than in procurement. In March of this year, the average procurement price for rye amounted to 62,400 zlotys, and was 105.2 percent higher than in December of last year, but 8.7 percent lower than in February of this year.

Prices for potatoes in free-market sales fell from 36,000 zlotys per dt [expansion unknown] at the end of January of this year to 33,000 zlotys (by 7 percent) by the end of March; compared to December, they were 46 percent higher. In the past, a seasonal increase in the prices of fodder crops was usual in the pre-spring period.

Free-market prices for livestock increased substantially in March of this year. By the end of the month, farmers got an average of 6,900 zlotys per 1 kilogram of hog livestock (12 percent more than a month earlier and 88.4 percent more than in December of last year), and 3,100 zlotys per kilogram of beef cattle (11.3 and 48.9 percent respectively). In procurement, the average growth of prices in March amounted to 9.4 percent for hog livestock and 6.9 percent for cattle. The growth of prices for hog livestock combined with a simultaneous decline in the free-market prices for grain and potatoes restored the profitability ratios for hog breeding which existed in the previous months. In the period between November of last year and January of this year, a kilogram of hog

livestock was equivalent to about 11 kilograms of the set of fodder, whereas in February this ratio fell to 9.8 kilograms, and in March once again increased to 11 kilograms.

Following the sharp increase in cattle prices in January, prices continued to increase slightly. In January of this year, a cow fetched 1.4 million zlotys in the free market, a heifer—0.8 million zlotys. In March, these prices came to 1.5 million zlotys and 0.9 million zlotys respectively, and were about 71 and 54 percent higher than in December.

Prices for piglets stabilized in the first two months of this year at a level of 119,000 zlotys apiece, following considerable fluctuations in the last quarter of last year. In March, the price grew to 137,000 zlotys, and was about 84 percent higher than in December.

In the first quarter of this year, a considerable increase in the procurement of grains occurred as a result of sales of fodder stocks which had been maintained by farmers with a view to raising funds for financing current operations.

	1988/89	1989/90		1988/89	1989/90
Rubric	1,000 tons		1988/89=100	Procurement as share of the crop, percent	
Grain procurement in					
July-March	4,568.9	4,669.2	102.2	18.9	17.5
July-December	4,414.7	3,809.8	86.3	18.2	14.3
January-March	154.2	859.4	557.4	0.7	3.2

The procurement of slaughter cattle in carcass weight amounted to 469,800 tons in the first quarter of this year, that is, 24.9 percent less than a year ago, out of which that of hogs 34.6 percent less, cattle 10.9 percent less, and poultry—12.5 percent less. It is estimated that in the first quarter of this year free-market sales of slaughter cattle amounted to about 130,000 tons (in carcass weight) overall, and were more than 80 percent higher than in the first quarter of last year. Overall market supply of slaughter cattle (procurement plus free-market sales minus the self-supply of rural population) amounted to about 600,000 tons in the first quarter of this year, and was about 14 percent lower than in the first quarter of last year.

Milk procurement between January and March of this year amounted to 2,149.5 million liters, or 9.2 percent less than a year ago.

The demand of agriculture for the manufactured means of production declined. From the beginning of the 1989/1990 agricultural year, that is, in July through March, the sale of fertilizer declined by 20 percent, and in the January through March period it was 48 percent lower than in the first quarter of last year, including in March—57 percent lower. The stock of fertilizer amounted to 110,000 tons by the end of March of this year, and was 52 percent lower than a year ago, amounting to 52 percent of the amount of fertilizer sold in March.

The deliveries of pesticides for agriculture (in terms of the active ingredient) were 68 percent smaller in the first quarter than a year ago; those of domestically produced pesticides were 78 percent smaller, and those of imported pesticides were 29 percent smaller.

The sale of concentrated feed from the state stock between July 1989 and March 1990 was 43 percent smaller compared to the same period of the last agricultural year. In the first quarter of this year, such sales were

49 percent lower than in the same period of last year; in March, 56 percent less was sold than a year ago. By the end of March of this year, the stock of concentrated feed amounted to 50,000 tons (10 percent lower than a year ago) and came to 30 percent of the amount of feed sold in March.

#### Industry

Product sales by socialized industry basically remained at the same low level following a decline of 31.6 percent in January compared to December of last year. In the first quarter of this year, they were 27.8 percent lower than in the first quarter of last year for a comparable amount of work time (Footnote: After the exclusion of the estimated amount of unpaid 1988 invoices from the volume of sales in January).

For the actual duration of work time, product sales in the first quarter were 27 percent lower than in the same period of last year (Footnote) (After the exclusion of the estimated amount of unpaid 1988 invoices from the volume of sales in January). Product sales declined the most in the food industry (by 40.8 percent) and light industry (37.3 percent). Product sales in the wood and paper industry fell by 27.0 percent, in the mineral industry by 27.1 percent, in the chemical industry by 22.7 percent, in the machine-building industry by 20.3 percent, in the fuel and energy industry by 20.3 percent, and in the metallurgical industry by 12.5 percent.

The number of industries in which production fell by more than 30 percent, compared to the same months of last year, increased in the successive months of the first quarter (from three in January to 13 in March). Changes were also apparent in a breakdown of the decline in product sales. The impact of restricted demand shifted from industries manufacturing final products to those mainly turning out producer goods.

The rates of changes in the actual volume of production varied widely. The output of a considerable majority of

industrial products was smaller than in the first quarter of last year (out of the almost 90 groups monitored). In many cases, the drop in production exceeded 30 percent (fuel, equipment for plastic forming, trucks and road tractors, power cables, phosphoric fertilizer, varnish products, tractor and truck tires, cement, hemp and flax fabrics, table vegetable oils). In the first quarter, production of nine monitored groups of products exceeded its level from a year ago (refrigerators and freezers, metal-cutting machine tools, cassette recorders and dictaphones, soda ash, polyethylene, polyvinylchloride, butter, and cigarettes).

It is estimated that a drop in output also occurred in the private sector, though smaller than the one in the socialized sector. The number of newly formed units was greater than the number of units going out of business; however, many of the new units were not producing yet. At the same time, a considerable number of existing private businesses suspended their operations temporarily or restricted them substantially. There are local variations of this situation. Reports of a considerable decline in production are coming mainly from the voivodships with a small production potential (for example, Chelm Voivodship estimates the decline to be 20 percent). Meanwhile, in Katowice Voivodship the growth of output is estimated to be about 5 percent, with the number of businesses increasing by about 7.5 to 8 percent. It is estimated that production of the private sector nationwide was about 5 to 10 percent smaller in the first quarter of this year than in the first quarter of last year.

Assessments by the directors of socialized industrial enterprises who responded to the GUS surveys suggest that a considerable decline in production and sales will persist in April as well which will be due to phenomena which manifested themselves in previous months.

### Construction

Lower demand for the output of construction and assembly work due mainly to the depletion of the funds of investors was the factor which depressed such output sold in the first quarter of this year. The supply of construction materials was generally adequate compared to reduced output; however, at the same time certain special materials and elements were lacking at some construction sites.

The decline in the output of construction and assembly work which has been worsening since August of last year slowed down to a certain degree this year. In the first quarter of this year, basic output of socialized construction and assembly enterprises (for comparable work time) was 19.2 percent lower than in the first quarter of last year but 1.2 percent higher than in the fourth quarter of last year. The decline in general construction, mainly housing construction, was smaller (by 8.1 percent compared to the first quarter of last year) which is due, among other things, to the completion of buildings already under construction. However, construction for

production and services was 16.5 percent less than a year ago, and specialized construction was 35.7 percent less. The pronounced drop in specialized construction was caused by reductions in orders for new investment projects and the cancellation of contracts previously signed by customers, especially for communal investment projects, such as water supply, sewers, heating mains, sewage treatment, and urban roads. The lack of orders from socialized and private investors also caused a decline in construction performed by the private sector. Many construction trade businesses (plaster, concrete work, plumbing, and central heating) went out of business or suspended operation temporarily. According to preliminary estimates, construction and assembly output in the private sector was about 8 to 10 percent lower in the first quarter of this year than in the same period last year.

In the first quarter of this year, work was discontinued at 886 construction sites (construction enterprises for production and services and specialized construction were working on 639 of them). Work was completed on 2,200 construction sites, and began on 2,600 sites. As of the end of the first quarter of this year, 18,100 construction sites were in operation, or 2,700 fewer than at the end of the first quarter of last year.

### Construction of Housing and Social Infrastructure

The performance of housing construction in the first quarter of this year was as follows:

Rubric	Apartments		Useful floor space of apartments	
	1,000	1st quarter 1989=100	1,000 square meters	1st quarter 1989=100
Total	23.2	99.7	1,742.7	103.6
Socialized sector	16.1	95.3	958.5	96.8
of which construction by housing cooperatives	12.8	103.9	758.5	104.5
Private sector	1	111.5	784.2	113.3

In socialized construction, more apartments were commissioned in January and February than a year ago. To a considerable degree, this was due to shifting some of the output not commissioned in 1989. In March, the number of apartments commissioned was considerably smaller (by 28.9 percent) than in March of last year.

The share of the private sector in the overall number of apartments commissioned in the first quarter increased from 27.2 percent last year to 30.4 percent this year.

In the first quarter of this year, the average useful floor space of apartments commissioned continued to increase:

—in the socialized sector, this surface came to 59.4 square meters (0.9 square meters more than in the first quarter of last year),



—in the private sector, it was 111.4 square meters (1.7 square meters more).

In the socialized sector, construction of 19,500 apartments in 821 residential buildings was begun, or 4,200 apartments (17.7 percent) fewer than a year ago. By the end of March, 182,100 apartments were under construction, or 4.2 percent more than at the end of March of last year; however, this was 0.4 percent fewer apartments than at the end of February of this year.

The costs of housing construction increased considerably. The average direct cost-estimate price of a square meter of apartments in the buildings started in March of this year amounted to 1,484,400 zlotys whereas in the fourth quarter of last year it was 203,500 zlotys. One square meter cost an average of 674,000 zlotys in buildings commissioned in March of this year compared to 233,000 in the fourth quarter of last year.

Among others, the following were commissioned in the first quarter:

—124 beds in the addiction-treatment ward of the psychiatric hospital in Warta, Sieradz Voivodship (last year, not a single hospital facility was commissioned in the first quarter),

—90 medical offices in 12 polyclinics and health care centers (a year ago, it was 94 offices in 12 facilities),

—225 slots in three nurseries (50 percent more than last year),

—2,235 slots in 19 day-care centers (compared to 1,030 slots in 15 facilities in the first quarter of last year),

—241 classrooms in 44 schools (a year ago, 128 classrooms in 19 facilities).

### Transportation

The discontinuation of work at many construction sites, reduced industrial production, and cutbacks in orders from the retail trade for goods piling up in shops caused a considerable decline in demand for transportation services. In the first quarter of this year, transportation cooperatives and companies hauled 155,600 tons of freight, or 39.5 percent less than in the first quarter of last year; in the process, hauling dropped in all modes of transportation with the exception of air transport (an increase of 11.4 percent).

The greatest decline in freight transportation (by 52.6 percent) occurred in motor vehicle transportation, especially in enterprises serving construction and the construction materials industry (61.4 percent), PKS [State Motor Transport] enterprises (56.5 percent), and enterprises serving trade (55.5 percent).

Railway transportation carried 25.7 percent less freight than in the first quarter of last year. In particular, the transportation of construction materials (including stone, sand and gravel, and cement) and fertilizer fell

markedly. A large decline in demand for transportation led to a considerable increase in the reserve pool of cars the share of which in the average daily number of working cars grew from 18.5 percent in the first quarter of last year to 35.1 percent in the first quarter of this year.

In maritime transportation, 3.7 less freight was shipped than a year ago. This level was attained due to considerable growth, mainly in tramp service and transportation of freight between foreign ports, while the freight of Polish foreign trade and transit freight declined. In the first quarter of this year, 9.4 million tons of freight were unloaded in commercial seaports, or 20.1 percent less than in the same period of last year. The transloading of all groups of freight fell, with the exception of coal and coke, of which as much was transloaded as last year.

A considerable increase in ticket prices combined with substantially reduced real incomes of the populace caused a drop in passenger carriage by socialized public transport (by 5.5 percent in the first quarter of this year compared to the same period of last year). Railway transportation carried 11.1 percent fewer passengers, and motor vehicle transportation carried 3.4 percent fewer passengers.

A number of private transportation businesses also suspended their hauling operations or went out of business due to the lack of transportation orders and high rates of transportation insurance. According to preliminary estimates, the value of services of private transportation in constant prices was about 4 to 6 percent less in the first quarter of this year compared to the same period of last year.

### Communications

In the first quarter of this year, 29,400 telephone customers were connected to the public telephone network, or 8.6 percent fewer than in the same period of last year; in January, the number of new service connections was lower than a year ago, and higher in February and March. As a result, the number of telephone customers amounted to 3,150,800 by the end of the first quarter of this year, out of which 358,600 customers are in rural areas.

The number of telex customers grew by 300 in the first quarter of this year, and came to 36,300 at the end of March. Four hundred new telefax customers were registered; by the end of March, their number came to 2,700.

### Labor Market

A decline of employment compared to the same months of last year, ranging between 7.6 percent in January and 8.5 percent in February and March, was registered in all months of the first quarter in the five basic sectors of socialized economy. In March of this year, average employment was 68,600 (1 percent) smaller than in February of this year. Employment in industry dropped

by 0.9 percent, in construction by 1.4 percent, in transportation by 0.8 percent, and in trade by 1.8 percent. Employment in communications increased by 0.3 percent.

Average employment, labor productivity, and remunerations in industry and construction (in comparable work time) developed as follows:

Rubric	1990	
	March	1st quarter
Employment in 5 sectors (previous year=100 percent)	91.5	92.0
out of which		
industry	93.6	93.9
construction	83.9	84.7
Labor productivity (constant prices; previous year=100)		
industry	73.0	73.3
construction	98.3	94.5
Remuneration for the increment of labor productivity (current prices)		
industry	0.86	0.84
construction	0.77	0.80

By the end of March, the number of the unemployed came to 266,700, and amounted to more than 2 percent of the total number of those employed in the socialized sector. Compared to February, the number of the unemployed increased by 114,400, and compared to January by about 211,000. People laid off by the enterprises in groups accounted for about 6 percent of the total number of the unemployed. The greatest number of the unemployed occurred in the following voivodships: Lodz (11,700), Olsztyn and Bydgoszcz (10,400 each), Kielce and Katowice (8,800 each), Lublin (8,300), Bialystok (8,200) and Torun (8,000). The number of the unemployed ranged between 7,500 and 7,000 in four voivodships (Suwalki, Gdansk, Piotrkow, and Koszalin); in the remainder of the voivodships, it ranged between 6,600 and 1,500.

As of the end of March, job-placement services had 24,000 offers of employment on file (in February of this year—20,000). In March, there were 11 unemployed per

every offer of employment (in February of this year—eight, and in January—two persons); there were eight unemployed for every job offer for men and 24 for every job offer for women. The number of the unemployed exceeded the number of job offers in all voivodships, with the exception of Warsaw Voivodship in which the number of the unemployed was almost the same as that of jobs offered (5,200). In the first quarter of this year, 31,000 unemployed were referred to work. Fourteen thousand and six hundred unemployed embarked on public-works projects; 1,200 unemployed were in retraining programs.

Benefits totaling 14.5 billion zlotys were paid to 122,700 unemployed between 1 January of this year and the end of March. The average amount of benefits was about 150,000 zlotys. Two-thirds of the total number of benefits were paid to people who were not previously employed (in the amount of the minimum salary, that is, 120,000 zlotys).

### Consumer Market

The market situation in the first quarter of this year developed under the influence of a profound decline in demand caused by the high growth of prices (by 148.3 percent compared to the fourth quarter of last year), the declining purchasing power of the current monetary income of the populace (by 29.4 percent), and considerable depreciation of the monetary resources of the populace (about 17 percent by the end of the first quarter).

In the first quarter of this year, a greater than usual share of the monetary income of the populace was allocated for uses not associated with purchasing goods and services from the socialized sector. Expenditures for purchasing goods and services accounted for 61.5 percent of the monetary income of the populace, compared to 70.7 percent in the fourth quarter of last year and 73 percent in the first quarter of last year. The real value of these expenditures dropped by 39.0 percent compared to the fourth quarter of last year. At the same time, the share of purchases of goods outside the socialized sector (in private trade and directly from farmers) increased considerably.

The share of spending for foodstuffs in total spending by the populace increased considerably. A survey of household budgets suggests that employee households

allocated 56.5 percent of their spending for food in January of this year whereas in previous years it was about 45 percent on average.

The following table represents the movement of monetary spending by the populace (NBP [National Bank of Poland] data as of 18 April 1990):

Rubric	1990					
	March			1st quarter		
	trillion zlotys	March 1989=100	February 1990=100	trillion zlotys	1st quarter 1989=100	4th quarter 1989=100
Total spending	16.4	709.7	122.3	44.5	750.0	152.7
purchases of goods	11.7	654.1	121.9	32.0	687.3	143.7
fees for services	2.1	880.9	118.2	5.4	865.1	237.3
taxes and fees	1.3	890.0	131.0	2.9	851.5	190.8
loan installments	0.3	447.1	79.7	1.8	1,292.6	110.2
other spending	1.0	1,579.0	184.9	2.5	1,286.3	104.0

Retail sales of goods by the units of the socialized sector were 7 times higher in the first quarter of this year than in the same period of last year; the sales of foodstuffs grew by a factor of 9. However, the value of these sales in real terms was about 40 percent smaller than in the fourth quarter of last year. The volume of sales of foodstuffs dropped by about 28 percent, and that of non-food items by about 50 percent.

Along with the high rates of price increases, the following were the factors responsible for the low volume of retail sales:

- lower inflation-spurred hoarding of goods;
- the population temporarily refrained from making purchases which could be postponed,
- the range of quality and selection was restricted in merchandise offered by socialized trade,
- increased purchases directly from the farmers.

The interest of trade in purchasing from producers increased in March of this year as a result of reductions in the interest rate on revolving credit. This is indicated by, among other things, an increase of about 35 percent (in current prices) in the amount of non-food stock in wholesale compared to February.

The volume of stock in both retail and wholesale on 31 March of this year was lower than at the end of December of last year. Despite the drop in the volume of sales and stock in the first quarter of this year, the continuity of sales in meat products, dairy products, edible fats, confectionery, and staples (except rice) was generally ensured.

#### Foreign Trade

In the first quarter of this year, the turnover of foreign trade was influenced by lower demand in the domestic market and an increased propensity to export. The need for imports from both payments areas declined in the

environment of dropping production and increased rates of exchange of foreign currencies.

The table below represents the turnover of foreign trade in the first quarter of this year (in current prices):

Rubric	1st payments zone		2d payments zone	
	million rubles	1st quarter 1989=100	million US\$	1st quarter 1989=100
Export	2,542.9	100.7	2,085.6	106.5
Import	1,572.1	71.5	1,307.7	78.9
Balance	+ 970.8	296.9	+ 777.9	259.0

A considerable reduction in imports (mainly fuel and energy, products of the machine-building industry, metallurgy, and the chemical and foodstuffs industries) combined with a small increase in exports in trade with the first payments zone resulted in a sizable increment of the positive balance, mainly in trade with the USSR. The positive balance with this area was 643,800 rubles higher than a year ago. A balance of 586 million rubles was obtained in trade with the USSR. Favorable ratios of currency prices were a positive influence (about 167 million rubles) on the balance of trade with the first payments zone.

In trade with the second payments zone, considerable growth of exports combined with a deep drop in imports caused an increase in the positive balance of trade which was US \$447,500 higher than that secured in the first quarter of last year. In exports, the group of farm products and products of the machine-building industry were the most dynamic. Exports of the products of the light, foodstuffs, and chemical industries were also higher than a year ago. Imported deliveries of fuel and energy, products of the chemical, metallurgical, and the foodstuffs industry declined, as well as those of farm goods.

The share of payments in freely convertible currencies in exports and imports was similar: In exports, it amounted to 82.7 percent, and in imports 82.2 percent (a year ago, it was respectively 78.5 and 81.9 percent).

Changes in the turnover of foreign trade in constant prices in the first quarter of this year were as follows:

Rubric	1st quarter 1989=100		
	total	1st payments zone	2d payments zone
Export	102.7	96.8	108.1
Import	77.6	74.6	80.5
producer goods	104.5	67.9	173.0
supplies	74.0	78.5	69.2
supplies, excluding grain and fodder	79.4	78.5	80.5
consumer goods	77.5	57.2	88.5

The following reductions contributed to the decline of supply imports from the first payments area: chemical industry products by 44.7 percent, fuel by 18.8 percent, products of machine building by 21.6 percent, products of the metallurgical industry by 17.9 percent, whereas the imports of light-industry products increased by 22.8 percent. Imports of agricultural products and foodstuffs from the 2d payments zone were 77.7 percent lower, those of chemical industry products 41.0 percent, fuels 31.7 percent, products of the metallurgical industry 27.1 percent, products of the light industry 11.7 percent. At the same time, the import of products of machine building increased by 51.0 percent.

Within the framework of foodstuffs aid provided by the EEC countries and the United States, Polish foreign-trade enterprises organizing distribution inside the country received in the first quarter of this year the following, among other things: 365,000 tons of wheat, 206,000 tons of corn, 74,900 tons of barley, 7,800 tons of citrus fruit, 962.2 tons of olive oil, and 360.5 tons of powdered milk. The total value of foodstuffs aid provided in the first quarter amounted to about US \$102.3 million. The value of goods received within the framework of aid between August and December 1989 amounted to about US \$88 million.

#### **Agriculture Minister on Current Export Efforts, Farming Issues**

90EP0572A Warsaw TYGODNIK ROLNIKOW  
SOLIDARNOSC in Polish No 16, 22 Apr 90 p 8

[Interview with Czeslaw Janicki, deputy premier and minister of agriculture, by Danuta Jezowska; place and date not given: "Stuck With Unsold Butter"]

[Text] [Jezowska] Mr. Premier, to Polish farmers, who loudly and anxiously demand State intervention in the form of procurements and minimum government prices for farm products, State interventionism is associated solely with the concept of a preferential treatment of agriculture. But interventionism also means a forced,

government-ordered curtailment of output. In world agriculture the issue of limiting food output is a major instrument for maintaining prices at a profitable level. Is not it time for considering this issue seriously in our country, too, and preparing the countryside for such thinking?

[Janicki] For the time being I would rather not entertain the idea of limiting farm output. I believe that once we gain skills in exporting—and I mean not my ministry, because it no longer handles exports, but individual enterprises—such limitations can be avoided. For 45 years we have been importing small quantities of butter and exporting equally small quantities of our butter. At present we have had to markedly expand our butter exports, and it turned out that we lack customers and contracts. Moreover, our recipients have realized that we have a certain surplus of butter and wanted to buy it at a very low price. We have already had a complaint from New Zealand for permitting transactions at prices lower than those set by GATT, an international organization which guards the interests of farm producers. We were in trouble and had to explain our actions. At the moment we are going through the worst of times. Domestic demand has stalled and butter fell 30 percent in price, even though that price has been kept at a relatively low level.

[Jezowska] Abroad in such cases output is curtailed to keep production profitable.

[Janicki] Yes, but the world, and especially West Europe, is limiting farm output because until now it has been subsidizing food exports, especially the exports of butter, and now it wants to drop these subsidies.

[Jezowska] Or perhaps it was a mistake to impede exports for too long a time?

[Janicki] In our country?

[Jezowska] Yes.

[Janicki] What mistake? It may be that the pertinent decisions were 2 weeks late, but not longer than that. A worse delay took place elsewhere. At first the exporting organizations offered assurances that they would export a large part of butter at the price of US\$1,700 per metric ton. And of course our ministry provided precisely these organizations with export permits. But these assurances proved to be worthless, because such a price could not be obtained. It had to be slashed and export permits had to be granted to anyone who was looking for foreign buyers of butter—at GAT prices. But time passed and the world realized that we are offering butter at cheap prices. And indeed it may be that had we not lost those 2 weeks the transactions would have been more profitable to us. Perhaps....

[Jezowska] West Europe is sitting on a mountain of butter.

[Janicki] And that is why we must explore other markets. By mid-March Poland had exported 3,000 metric tons of

butter at the price of US\$1,350 per ton. We granted permits for the export of an additional 40,000 tons. We must allow for the fact that the barrier of domestic demand persists. In addition, there is the hugely seasonal nature of milk production in Poland, which in some voivodships doubles in the summer.

[Jezowska] Have the butter surpluses in Poland been artificially caused, meaning that they are a side effect of subsidizing only the production of skim milk and lean cottage cheese? The dairy plants were interested in subsidized production and set aside the fat in the form of butter.

[Janicki] That was of a certainty the principal reason for the present overproduction of butter. Skim milk was supposed to be earmarked only for the poorest people, and its output was to account for only 10 percent of all milk output, but its actual output and sales account for 90 percent, because it is subsidized. As of 27 March the form of the milk subsidy has completely changed. It is being paid in the amount of from 400 to—in warranted cases—650 zlotys per liter of milk, whether skim or whole milk. Thus, the consumption of whole milk will increase, to the benefit of the consumer. From the standpoint of the dairies, the previous subsidy system was profitable, but from the standpoint of national interest it was a big mistake.

[Jezowska] So that is a mistake that has been repaired and there is no peril of permanent overproduction. Thus the time still has not come when farmer would be forced to appreciate the importance of the problem of finding demand for their products.

[Janicki] Finding demand! Marketing! This is definitely issue number one. If only we could succeed in getting rid of this mountain of butter—and we have reason to hope that we will—the demand for milk will increase and procurement prices will rise to the level of at least minimum profitability. For I am aware that at the moment a price of less than 400 zlotys per liter means disaster to the farmer. And yet even now there exist dairies which pay 1,000 and more zlotys per liter—but they make a profit from exporting their dairy products.

[Jezowska] Allow me to raise now a completely different issue, which also is beginning to stir emotions, namely, the future of the state farms and especially the larger ones. In the northern voivodships, where state farms occupy as much as 73 percent of all arable land, conflicting opinions are being voiced. Some desire to privatize these farms, while others speak of employee stock ownership, leasing, and, above all, the need for the immediate formation of autonomous enterprises based on the agricultural plants owned and operated by these state farms. Then also there is the mood of anxiety among the workforces of state farms, which fear unemployment subsequent to the dissolution of these farms.

[Janicki] As regards the break-up of major state farms into smaller units, wherever this is warranted and desired by their workforces, this process is already under

way and there exist no obstacles to it. But this is no easy matter, because some of the plants operated by the state farms specialize in different kinds of production such as the raising of milch cattle, of calves, or of hogs. A poorly conceived break-up of such an economic organism could undermine it economically. I think that what is happening at present, namely, the determination of the actual profitability of discrete units rather than averaging for an entire large state farm, is the first stage of the break-up. As regards privatization, we are working on it at the ministry but we still have not developed optimal ways and means of appraising the assets of state farms. This also applies to employee stock ownership, which seems to have the most supporters at state farms, except that of a certainty it will not be what some of them expect it to be, namely, the transfer of state farms to ownership by their employees in return for contributions equal to their wages for 2 or 3 months. The prices of such farms must be realistic. But as for parceling up the state farms, this is not anticipated, except in localities where the hunger for land is great and these farms do not operate profitably.

[Jezowska] In Szczecin Voivodship an activist of the Rural Solidarity recently called for parceling up state farms among peasants brought in from Malopolska.

[Janicki] I am not enthused by such ideas. We have already lived through population transfers and we are aware of the cost of adaptation. Besides there already are people working and living on these farms; would not they feel threatened?

[Jezowska] What about turning state farms into joint ventures with foreign capital?

[Janicki] In some cases state property may be leased by joint ventures with foreign capital, but land may never sold to foreigners; that is a principle. Therefore, even though the 49-percent limit on participation by foreign capital has been lifted, there are no chances for lifting this limit so far as farming is concerned, for the very reason that Polish capital in the form of land, valued at market prices, will always predominate.

[Jezowska] Thank you for the interview.

#### **American Airlines Expansion in Europe Leads to Warsaw Connection**

*90P20041 Warsaw RYNKI ZAGRANICZNE in Polish No 39-40, 17, 19 Apr 90 p 5*

[Article by Slaw: "American Airlines in Warsaw"]

[Text] The largest American airline company, American Airlines, will soon open an office in Warsaw. Not that much later, in December of the present year or in January 1991, regular links will be established on the Warsaw-Chicago route. Both the Polish LOT and Pan American World Airlines will be faced with a major competitor, which has vast financial resources at its



disposal, and an expanded network of connections in the U.S., South America, Europe, and the Far East.

The planned entrance of American Airlines on the Polish market is connected to the expansion of the firm in Europe, specifically in central and eastern Europe. During the summer of 1990, American will initiate five new non-stop connections between the U.S. and Europe. From Chicago, one will be able to fly non-stop to London, Glasgow, Munich, and Duesseldorf, and also from Miami to London. The first of these connections, Chicago-London, will offer two flights a day, the others, one flight a day. In total, American Airlines will have 145 flights a week on the routes connecting Europe with America. "These changes demonstrate the unending

interest American Airlines has with the European market and shows our determination to make American Airlines the main American carrier in transatlantic traffic," said Donald J. Carty, the Vice President of American Airlines.

It is worth adding that presently, American Airlines maintains 77 weekly connections between Chicago and ten European cities, more than any other airline. The planned changes will strengthen the position of American Airlines as the largest air carrier operating out of Chicago. After the Warsaw-Chicago connection is established, passengers from Poland will be able to benefit from the expanded North American network of American Airlines.

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